

Assassination in
the rain forest

Christina Lamb tells the strange
tale of Chico Mendes, the jungle
activist, which culminates this
week in the trial of a father and
son for murder

Page I

Saving without tax

Sara Webb on the virtues of
Tessas, a new tax-free savings
plan

Page III

Grave issues

Patricia Morison on a campaign
to force museums to return
Aboriginal remains

Page VII

Political tigress

Christian Tyler tweaks the tail of
Glenda Jackson (left)

Page XXIV

Hear hear!

The FT music critics applaud the
best discs of the year

Pages XX-XXI

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FT No. 31,324

© THE FINANCIAL TIMES LIMITED 1990

Weekend December 8/December 9 1990

D 8523A

WORLD NEWS

Tory MP
charged with
corruption

Tory MP Harry Greenway was
charged yesterday on seven
counts of alleged bribe-taking
in violation of his public duty
as a member of parliament.
The charges, dating back
to 1984, follow British Trans-
port Police inquiries into bribe
allegations involving con-
tracts to supply British Rail
with specialist railway equip-
ment.

Mr Greenway was charged
in London with corruptly
accepting gifts from Austrian-
based Plasser Railway Machin-
ery (GB). The Ealing North
MP, who was released on bail,
said he would contest the al-
legations. Page 22

Gorbachev attacked
More than 3,000 senior Soviet
industrial managers rounded
on President Mikhail Gorbachev
at a Kremlin meeting for his
economic reforms. He
counter-charged that factory
directors were as much to
blame as central government
for the state of the Soviet econ-
omy. Page 2

Religious riot deaths
Hyderabad in southern India
was put under indefinite cur-
few after 17 people were killed
and 65 injured in fighting
between Hindus and Muslims.
Page 3

Israel imposes curfew
The Israeli army started impos-
ing curfews on the occupied
West Bank and Gaza Strip to
try to prevent demonstrations
tomorrow to mark the third
anniversary of the start of the
Palestinian uprising. Page 3

Irish to change sex laws
The Irish government plans
to legalise homosexuality and
take steps which could lead
to divorce becoming lawful.
Page 2

Pakistan spurns aid
Pakistani prime minister
Nawaz Sharif made clear his
country would rather forego
US aid than give up national
interests. A \$54m (\$28m) US
aid package was suspended
over fears that Pakistan was
trying to make nuclear weap-
ons. Page 2

China explosion
Several people died in the Chi-
nese city of Chengdu when an
explosion blasted the bus
they were on as it passed a
statue of Chairman Mao. Local
people believed a bomb was
responsible. The 50th statue
was undamaged.

Poll tax defaulter jailed
Jobless bricklayer Bryan
Wright of Lincolnshire was
jailed for 21 days for not pay-
ing his £277 poll tax - the first
time in England a community
charge defaulter has been
imprisoned.

Bulgaria picks premier
Dimitar Popov, 63, a lawyer
without party political links,
was appointed Bulgaria's pre-
mier by president Zhelyu
Zhelev.

Tobacco advertising row
Medical specialists belonging
to the British Thoracic Society
launched a campaign to have
tobacco advertising banned.

Braced for icy weather
Britain was warned to expect
its severest weather so far this
winter, with high winds, low
temperatures, snow and icy
roads. Weather, Page 22

BUSINESS SUMMARY

Electricity
applications
reach 8m

More than 8m applications for
shares in the 12 regional elec-
tricity companies had been
processed last night following
an avalanche of public demand
for the £5.2bn privatisation
offer.

Estimates show that the
total may reach 12m by tomor-
row morning, when all applica-
tions have been processed.
Current indications are that
most people will still receive
almost all of the shares they
applied for when the basis of
allocation is announced on
Monday. The offer has easily
exceeded all previous privatisa-
tions in terms of number of
applications.

US FEDERAL RESERVE
nudged interest rates lower
after a plunge in employment
in November pushed the unem-
ployment rate to 5.9 per cent,
its highest level in three years.
In Europe, the dollar headed
lower. Page 22; Dow falls on
large rise in jobs. Page 19

BOND CORPORATION HOLDINGS
Group, once the quoted flag-
ship of Alan Bond's corporate
empire, lost \$41.57bn (\$625m)
in the 15 months to October
5, the delayed annual report
revealed. Page 10

LVMH, the French drinks and
luxury goods group, agreed
to pay FF3.1bn (\$314m) for
the food group BSN's two
champagne brands Pomery
and Lanson, lifting its share
of the world champagne mar-
ket to 24 per cent. Page 10

WOLVERHAMPTON & Dudley
Breweries were held to a 4 per
cent improvement in annual
pre-tax profits to £21.8m due
to higher interest costs and
stagnating margins. Page 8;
Lex, Page 22

CELEBRIDE, the UK battery
group, reported half-year pre-
tax profits down from £5m to
£4.4m and said it was still
unable to resume payment of
a dividend. Page 8

HEINEKEN, the Dutch brewer,
has acquired Van Munching,
its long-standing US importer
and the company responsible
for making Heineken the best-
selling foreign beer on the US
market. The price paid was
not disclosed. Page 10

LONDON STOCKS saw a week
of mixed influences with mod-
est FT optimism countered
by signals from the Bank of
England that interest rates
are unlikely to be cut for at
least two weeks. The FT-SE

FT-SE 100 INDEX
Hourly movements
2190
2180
2170
2160
2150
2140
2130
3 Dec 1990 7

closed at 2,183.4, a rise of 5.9
on the day and 34 points on
the week. Page 13

SHUWA Corporation, Japanese
investment company with
extensive foreign property
holdings, announced it had
received financial assistance
from Dael, the supermarket
chain. Page 10

RAIL TERMINAL: The UK's
first rail freight terminal cat-
ering specifically for goods pass-
ing through the Channel tun-
nel is to be built in Wakefield,
West Yorkshire, at a cost of
up to £150m. Page 3

MARKETS

STERLING	DOLLAR	STOCK INDICES
New York lunchtime: \$1.8505	New York lunchtime: DM1.479	FT-SE 100: 2,183.4 (+5.9)
London: \$1.8515 (1.5995)	FF5.019	FT Ordinary: 1,720.3 (+5.9)
DM2.8575 (2.55)	Y101.215	FT-A All Share: 1,050.57 (+0.5%)
FF5.7875 (5.8)	London: DM1.4795 (1.4895)	New York lunchtime: DJ Ind. Av. 2,583.17 (-13.1)
SF2.4825 (2.4875)	FF5.02 (5.025)	S&P Comp 326.52 (+2.56)
Y253.75 (255.5)	SPR1.2825 (1.272)	Tokyo Nikkei 21,522.48 (+989.39)
£ index 93.5 (93.5)	Y101.10 (102.30)	LONDON MONEY 3-month Interbank closing 13 1/2-3/4 (13 1/2-3/4)
GOLD	£ index 60.5 (60.5)	Life long gilt futures Mar 89 1/2 (89 1/2)
New York Comex Feb \$372.1	Tokyo close: Y132.17	
London: \$369.25 (370.75)	US LUNCHTIME RATES	
3-mo Treasury Bill: 5.80 (5.80)	Fed Funds 7 3/4	
9-mo Treasury Bill: 5.75 (5.75)	3-mo Treasury Bill: 7.08%	
12-mo Treasury Bill: 5.75 (5.75)	Long Bond: 105 1/2	
Chief price changes yesterday: Page 22	yield: 8.208%	

Ministers appoint trouble-shooter ■ Community hopes negotiations will resume next month

Gatt talks break up with
row over EC farm policy

By William Duforce and Peter Montagnon in Brussels

THE FUTURE of international
commerce was left in limbo yester-
day after world trade minis-
ters adjourned indefinitely their
four-year effort to reform the
trading system.

Their conference, scheduled
to finalise a series of trade-
liberalising agreements, broke
down after the European Com-
munity refused to meet
demands from US and other
nations that it undertake a fun-
damental reform of its agricul-
tural policy. Ministers tried
hard to avoid acrimony in their
parting statements but argu-
ments raged about what exactly
the EC had offered on farm
reform.

Behind-the-scenes efforts to
revive the talks will continue.
The EC said it expected a fur-
ther meeting in January. The
US said resumption was
conditional on a basis being
found for completing the talks.

Ministers of agriculture-
exporting countries, such as the
US, Australia, Argentina and
Brazil, blamed the EC for fail-

ing to show flexibility on the
farm issue.

Mr Ray MacSharry, EC agri-
culture commissioner, said it
was up to these countries to
reduce their expectations of
what the EC could deliver. Other-
wise "there will never be
progress in agriculture".

Mr Frans Andriessen, EC
trade commissioner, said the
community had been prepared
to negotiate and had offered to
talk about specific commit-
ments to cut export subsidies
and import barriers. "Unfortu-
nately we haven't been given
very much in return," he said.

Hope of salvaging the four-
year negotiations, known as the
Uruguay Round, rests on inter-
vention by leaders of the big
industrial powers - in the first
place President George Bush of
the US, President Francois Mit-
terrand of France and Chancel-

lor Helmut Kohl of Germany.
Mrs Carla Hills, US trade rep-
resentative, said: "We must
muster the political will at the high-
est level."

The failure of this week's
talks puts at risk the conclu-
sion of agreements which
will open up international
competition in the \$800bn-a-
year world trade in services,
provide manufacturers with
greater protection for intellec-
tual property rights and remove
restrictions on imports of tex-
tiles and clothing. Failure also
raises prospects of a fresh bout
of trade conflict involving prod-
ucts ranging from pork to air-
craft.

In an attempt to prevent
complete collapse, ministers
decided at their concluding
session to appoint Mr Arthur Dun-
kel, director-general of the Gen-
eral Agreement on Tariffs and
Trade (Gatt), as a trouble-
shooter. He is to consult with
governments over the next
three weeks and to reconvene
negotiations in Geneva "at the
date he considers appropriate".

No deal: Carla Hills leaves the Gatt talks. "We must
muster the political will at the highest level," she saidBaghdad denies
hostage flight
clearance to land

By Jimmy Burns

IRAQI "last night" barred a
British Airways jet from land-
ing in Baghdad, denying hopes
of a smooth and immediate
evacuation of thousands of for-
eign nationals whose release
was authorised yesterday by
the Iraqi parliament.

British Airways had expect-
ed the jet to return to Heath-
row today in the first stage of
a planned airlift involving up to
6,000 European, American, Jap-
anese, and Soviet citizens.

Iraqi officials said in Bagh-
dad that permission to land
had been refused "because
Iraqi Airways will carry out
the airlift".

The aircraft, capable of car-
rying 247 passengers, took off
from Heathrow without clear-
ance to land. British Airways
had hoped to obtain it during
the flight.

British Airways said last
night that the aircraft had
been diverted to Amman in
Jordan "pending clarification"
from the Iraqis. The airline
said it still hoped the jet could
continue to Baghdad.

The flight was organised on
the company's own initiative
while the foreign office chose
keep to the cautious line it has
adopted on the hostage issue
throughout the Gulf crisis.

Earlier yesterday, the Iraqi
National Assembly rubber-
stamped President Saddam
Hussein's order that all travel
restrictions on foreign national-
als should be lifted.

In Washington, the US am-
bassador to Iraq apologised for
the delay of foreigners, whose
said his country expected noth-
ing in return for their release.
Foreigners trapped in Iraq
and Kuwait include some 3,000
Soviets, 1,200 Britons, 700
Americans, 180 Italians, 120
Dutch, and 250 Japanese.

The foreign office said it
would not be sending more
planes to Baghdad until it had
received clear instructions
from the Iraqi authorities
about visa requirements and
transport arrangements.

"We want to stop public
opinion thinking that every-
body is going to be walking
free in the next few hours. We
don't know who is going to get
out or how," a foreign office
official said yesterday. It is
advising British subjects in
Kuwait not to show themselves
in public until further notice.

Several governments were
making plans yesterday to get
their subjects out. Aircraft
were on standby at Rome,
Amsterdam and Tokyo, while
Aeroflot was expected to use
its twice-weekly flights from
Moscow to Baghdad to bring
back several hundred techni-
cians.

Paris and
Bonn seek
common
EC policies

By Ian Davidson in Paris

FRANCE and Germany have
called for the development of
common foreign and defence
policies in Europe as part of
a new political treaty to
strengthen the European Com-
munity.

Negotiations on a Political
Union treaty, which would pro-
vide the framework for com-
mon foreign and defence
policies, will start at next week's
inter-governmental conference
in Rome.

In a joint letter to the other
10 member states, President
Francois Mitterrand and Chan-
cellor Helmut Kohl have also
called for the development of
the powers of the Community
of strengthening its democratic
institutions, and of enhancing
the guiding role of the regular
summit meetings of heads of
government.

The two leaders suggest that
the West European Union
defence grouping, which
includes nine of the Commu-
nity's 12 member states, should
be the main vehicle for the
development of a common
security and defence policy,
together with the proposed
European Political Union.

Eventually, the WEU could
become part of the Political
Union and develop a security
policy on its behalf.

The letter makes clear that
the two leaders do not intend
to disturb existing defence
arrangements.

They claim that the Atlantic
Alliance as a whole would be
strengthened by the creation of
a European pillar.

However, existing commit-
ments to other allies in the
Atlantic Alliance, as well as
the particular characteristics
of the defence policy of each
member state - an unmis-
takeable reference to France's
insistence on independence
from Nato's integrated com-
mand - must be respected.

In the field of foreign policy,
the heads of government
Continued on Page 22

Thatcher honoured by Queen
and husband created baronet

By Ralph Atkins

MRS MARGARET Thatcher,
the lady who was not for turn-
ing, yesterday turned down
being a lady after her hus-
band, Denis, was created a
baronet. She will receive the
rare Order of Merit award
which adds only the initials
OM to her name.

The former prime minister
said she did not want to
become "Lady Thatcher" -
the title that went with the
baronetcy bestowed on her
husband by the Queen. "I have
done pretty well out of being
Mrs Thatcher," she insisted.

Her reward for 11 1/2 years in
office was admission to the
Order of Merit which dates
from 1902 and has only 24

members besides the monarch.
Mrs Thatcher filled the
vacancy left by the death last
year of actor Lord Olivier.

With membership of the
order entirely a matter for the
monarch, her admission sug-
gests the relationship between
the British and two leading
ladies in the 1980s was not as
frothy as some suspected.

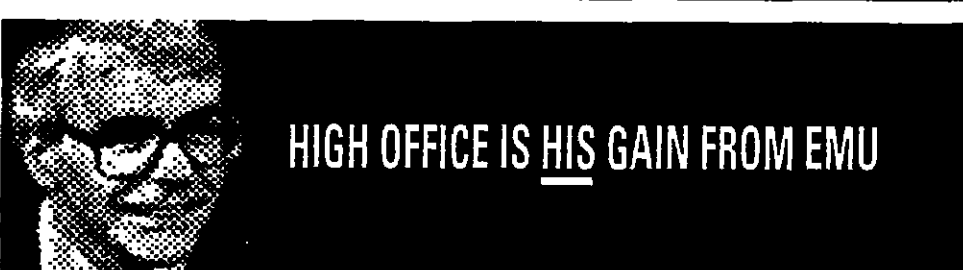
The former prime minister
indicated yesterday that she
intended to remain in the
House of Commons represent-
ing the Finchley constituency.

Fellow OMs include Sir
Yehudi Menuhin, the violinist;
Group Captain Leonard Ches-
bire, the Second World War
bomber pilot; and Graham

Greene, the novelist.
The award was founded by
King Edward VII for those
who had "rendered exception-
ally meritorious service in our
crown services, or towards the
advancement of the arts,
learning, literature and sci-
ence".

Mr Thatcher's baronetcy
entitles him to call himself Sir
Denis. The title is hereditary
and, when he dies, will pass to
his son Mark. He ranks above
all other knights except
Knights of the Garter.

Baronetries were created by
James I in 1611 and were sold
to raise money. At present
there are about 1,400. The last
baronetcy was created in 1964.



HIGH OFFICE IS HIS GAIN FROM EMU

YOUR WAY TO GAIN FROM EMU

LAUNCHED nearly two months ago - as
Britain entered the ERM - the Guinness
Flight EMU Trust has not only received
highly favourable Press reviews, but
has already attracted considerable levels
of investment.

This is your opportunity to take
advantage of the growing trend towards
European Monetary Union and:

LOCK INTO TODAY'S HIGH INTEREST RATES
SOMETHING THAT BONDS CAN OFFER BUT BUILDING
SOCIETY ACCOUNTS GENERALLY CANNOT

SECURE THE PROSPECT OF CAPITAL GAINS
CONVERGENCE OF EUROPEAN RATES WILL CAUSE
HIGH YIELD BOND RATES TO FALL, PRICES TO RISE

The Guinness Flight EMU Trust brings
you the opportunity to capitalise on the
momentous political and economic changes
taking place in Europe.

While interest rates remain high in
Europe, bonds will provide high yields;
as interest rates fall, their capital value rises.

FIRST

So with Guinness Flight EMU Trust, you stand to
gain either way.
Please remember that the price of units and the
income from them is not guaranteed and may fall as
well as rise.

**For full details call your independent
adviser, ring the EMU HOTLINE on
071-522 2117 or return the coupon.**

To Guinness Flight Unit Trust Managers Limited, Lighterman's Court, 5 Garsfield Street, Tower Bridge, LONDON SE1 2NE

Please send me details of the Guinness Flight EMU Trust.

NAME _____ ADDRESS _____

545-18

0370-233038



INTERNATIONAL NEWS

Irish government to legalise homosexuality

By Kieran Cooke in Dublin

THE Irish government plans to legalise homosexuality and to review marital breakdown - a move which could lead to the legalisation of divorce in Ireland.

Prime Minister Charles Haughey, acknowledging demands for a more pluralist and liberal Ireland, said the task for the ruling Fianna Fail Party was to embark on a 10-year strategy of "modernising Irish society".

Mr Haughey said homosexuality, which is still punishable by life imprisonment under a rarely invoked 19th century law, would be decriminalised.

The move comes more than two years after the European Court of Human Rights ruled that existing Irish law on homosexuality was in breach of the European Convention on Human Rights and Fundamental Freedoms.

It also follows a 13-year battle through the courts by Mr David Norris, lecturer at Trinity College, Dublin, a senator and founder member of the Irish Gay Rights Movement.

On the question of divorce Mr Haughey told Fianna Fail members: "It is our intention to carry out a comprehensive review of current developments and to publish a white paper following the review."

Mr Haughey is responding to new political realities that have emerged following the victory of Mrs Mary Robinson in the presidential election.

Women and young voters

turned out in droves to support her. The Fianna Fail candidate Mr Brian Lenihan was forced to quit as deputy prime minister by a political scandal.

Mrs Robinson, backed by the small Irish Labour Party and the even smaller Workers Party, campaigned on a liberal ticket, advocating among other things new divorce laws, freely available contraception and more personal freedom.

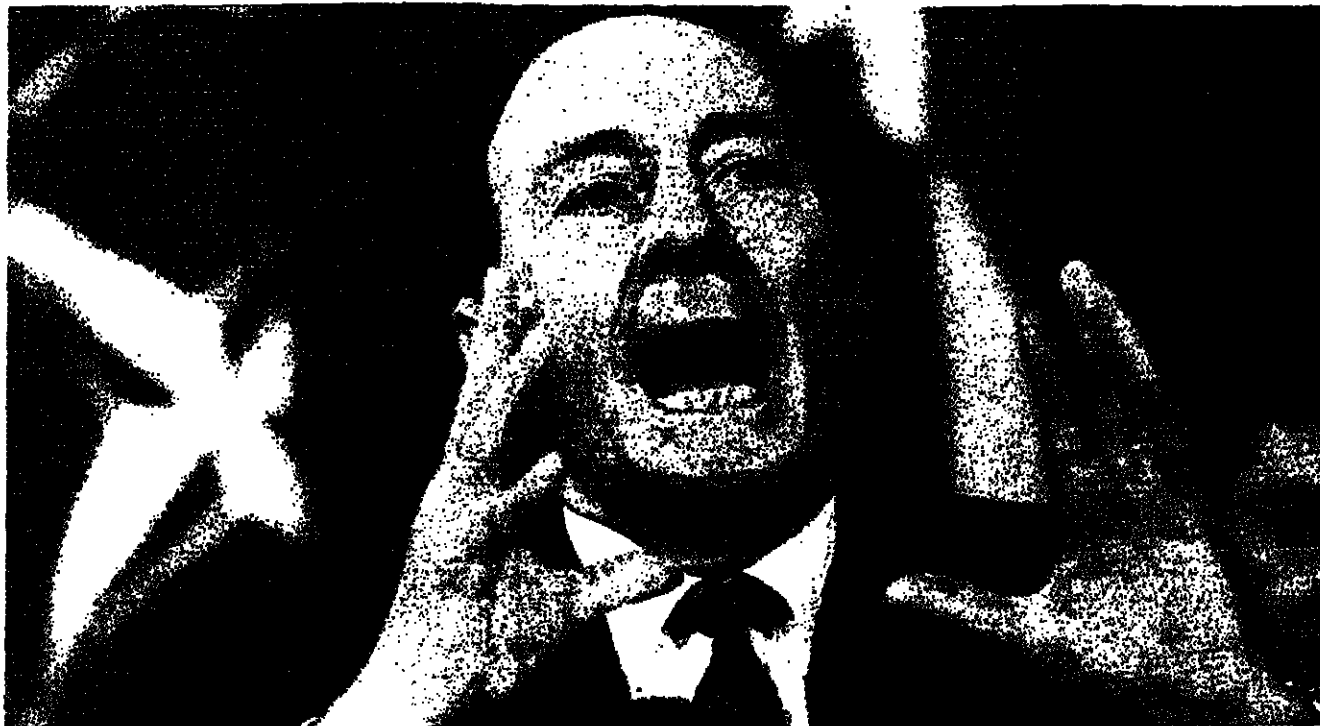
Only four years ago, 83 per cent of the Irish electorate voted in a referendum against allowing divorce.

Now the established parties are responding to the new circumstances. Fine Gael, the main opposition party, ditched Mr Alan Dukes as leader. In came Mr John Bruton, who immediately said a fresh look should be taken at the whole question of divorce.

Mr Haughey has ordered Fianna Fail to engage in a prolonged period of navel-gazing. He admitted his party appeared to be out of step with the times. Its conservative, mainly rural image, must go.

Some members of Fianna Fail have even suggested that Mr Haughey himself must be jettisoned.

Mr Haughey himself dismisses any such idea. He told a meeting of the Fianna Fail hierarchy the party should be proud of its achievements and members should in particular "speak out loudly about the economic miracle the government has brought about."



Nato secretary general Manfred Wörner: detected "no divergence of views" on arms cuts

Nato to work out new strategy by May

By David White in Brussels

NATO has set itself a deadline of next May for drawing up a complete new strategy, which will reflect changes in central Europe and in relations with Moscow.

The review, which may be approved at a summit of heads of state and government, has three main elements. One is a restatement of the alliance's political aims, including the relationship between European allies and the US and Canada.

This comes under the auspices of foreign ministers and includes France, a member of the alliance but not of its military organisation.

Other allies are also seeking to involve France in the review of military strategies, which come under defence ministers. The third part covers detailed military concepts to match the reduction of forces, particularly in the central region.

Mr Dick Cheney, US defence secretary, said after a defence ministers' meeting in Brussels yesterday, that NATO should continue to perform the "core" functions of deterring and defending against aggression, promoting a stable security environment, and acting as a transatlantic forum on issues affecting members' interests.

He obtained a renewed commitment from allies on plans for a new \$800m (€18.6m) air base at Crotone in southern Italy to accommodate 73 F-16 fighters, capable of nuclear missions, which have to leave their present base in Spain.

He said he now hoped to persuade Congress to approve funds for the 28 per cent US share of the cost of the project, which is being financed from NATO's joint infrastructure funds.

The meeting also discussed the prospects for further deep cuts in NATO's arsenal of nuclear weapons in Europe,

with a clear consensus on the principle of eliminating ground-launched weapons. Mr Manfred Wörner, Nato secretary general, said he could now detect "no divergence of views" on the issue, which last year came close to splitting the alliance.

However, a mandate for US-Soviet negotiations on short-range nuclear weapons, which NATO has promised should follow the recent treaty on conventional arms in Europe, is not expected to be drawn up until next spring, according to senior western officials.

Antarctic conference ends in dismal failure

By Leslie Crawford in Santiago

THE 39 nations of the Antarctic treaty system failed to agree on a single measure to enhance the protection of Antarctica's fragile environment during a three-week meeting in Chile that ended on Thursday.

The conference was torn between two radically different visions of the future of the frozen continent: one which seeks to protect the last great wilderness on earth by declaring it a natural reserve and the other which believes that Antarctica's mineral wealth could one day be commercially exploited.

The rival camps were in no mood for compromise and towards the end of the conference, the frustration in the corridors of the Hotel O'Higgins in Vina del Mar was almost tangible.

The delegations have taken away a draft working paper for a protocol on environmental protection which will be discussed when they meet again in April in Madrid.

This is an improvement on the four rival protocols that were presented in Chile, because negotiations will now be able to take place on the basis of a single document.

But there are still strongly opposing views on what the protocol should contain.

Australia and France are leading a group of about 10 countries which want a permanent ban on mining to be written into the document. They argue that the exploitation of non-renewable resources would irreparably damage Antarctica's ecological balance.

Britain and Japan believe the controversial mining issue merits separate treatment and should not be tackled in the protocol.

Britain, in particular, would like to revive a minerals convention that was negotiated by the Antarctic treaty parties but never ratified. The convention sought to regulate mining activities, but it was shot down by a world-wide campaign of environmental groups.

"Britain must realise that the minerals convention is dead," says Mr Curtis Bohlen, the leader of the US delegation. He said the US was working hard to restore the consensus lost over the minerals question, and that Britain's position was blocking progress.

There are other issues which are also likely to become the subject of heated debate. Scientists, in particular, are opposed to greater environmental controls over their work.

Some treaty members are concerned about the proliferation of scientific bases: now over 50, and believe tougher controls are needed on research projects and matters such as waste disposal and the building of new sites.

Several thousand tourists are now visiting Antarctica each year. However, there is no code of conduct for tourism operators nor any agreement on whether the number of visitors should be restricted.



Bush: South American trip

Venezuelans protest over Bush visit

By Joseph Mann in Caracas

STUDENTS in five big Venezuelan cities have clashed with police during demonstrations staged to protest against the visit of US President George Bush.

In Caracas, at least eight people were injured and around 50 arrested on Thursday, after a violent confrontation between riot police, students, and hooded agitators - some of them armed - at the Central University. Students in four other cities also rioted, burning vehicles and attacking police.

Mr Bush was to arrive late yesterday on the last stop of a week-long South American tour that has taken him to Brazil, Uruguay, Argentina and Chile. He has used his trip to bolster the democratic governments in these countries and to promote greater trade and investment between the US and Latin America.

Demonstrators called on the US to pull its forces out of the Middle East, and protested against the Venezuelan government's free-market policies, which led to a severe recession last year.

Mr Bush is expected to seek the support of his Venezuelan counterpart, Mr Carlos Andrés Pérez, for the US stand against Iraq. Venezuela, a member of Opec, is interested in a strategic oil relationship with the US, has called for a peaceful solution to the Gulf crisis.

For his part, Mr Pérez, once called by Mr Bush his "closest adviser on Latin America", is expected to seek greater access to the US market for Latin American exports.

Dhaka army divided over trial for Ershad

By David Housego in Dhaka

THE BANGLADESHI army, which forced President H.M. Ershad to resign on Thursday, was yesterday deeply divided over the issue of putting him on trial.

The main army cantonment in Dhaka, where Gen Ershad lived, was sealed as troops loyal to the former president protested at the way he had been treated. The mood in the cantonment, which was surrounded by troops, was described as tense.

Gen Ershad was told by Gen Nooruddin Khan, the army chief-of-staff, to step down after young officers in contact with student leaders made clear that his continuing in office, Gen Khan, known for his personal loyalty to the former president, went on television on Thursday night to say that Gen Ershad had been taken into resigning to prevent a catastrophe.

The main opposition parties - including the Awami League of Sheikh Hasina and the Bangladesh National Party (BNP) of Mrs Khaleda Zia - yesterday demanded that Gen Ershad should be tried for corruption and abuse of power. In what is bound to be seen as a witch-hunt, they demanded that his wife, Mrs Roushan Ershad, the former vice-president, and cabinet ministers should also stand trial.

Outside the cantonment area, Dhaka, was quiet yesterday, after eight days of demonstrations, followed by jubilant celebrations that had greeted the resignation of the president.

Radio and television broadcast official statements appealing for calm in an effort to prevent attacks on offices and property belonging to his supporters.

His departure leaves a power vacuum until elections are held within 90 days with authority in the hands of a caretaker administration under Chief Justice Shahabuddin Ahmed.

Mr Ahmed, in a nationwide television broadcast last night, appealed for national unity and sought to meet grievances of students, doctors and journalists. He announced decrees that will allow educational institutions to open from today and will remove curbs on the press.

The opposition parties, who remained united in the campaign to overthrow Gen Ershad, have already begun to show signs of division. The Awami League and the BNP will be the main contestants in what is expected to be a bitterly fought election, though no date for it has been announced.

Although he looked shattered by the strength of the popular upsurge against him when he appeared on television on Thursday night, Gen Ershad is said by those close to him to be determined to participate in the elections.

S African mine group agrees to end racial discrimination

By Philip Gawth in Johannesburg

SOUTH AFRICA'S Chamber of Mines and the National Union of Mineworkers (NUM) have concluded a far-reaching statement of intent committing the mining industry to the abolition of racial discrimination at its facilities.

The declaration is the product of discussions which began in May after two white miners were murdered on a mine in Welkom. Allegations of racism often lie at the root of violence on the mines, and in June the NUM submitted a memorandum to the chamber saying it had identified 24 general issues of racial discrimination.

Areas of alleged discrimination included accommodation, wages, queuing for the canteen that carry workers up and down the mine shafts, ablution facilities, protective equipment, workmen's compensation, security checks, assaults and abusive language.

The talks were widened to include the question of racially discriminatory practices when the NUM, dissatisfied with the chamber's response to its memorandum, declared a dispute.

If progress can be made towards implementing this statement, a big source of friction on the mines will have been removed.

Mr Adrian du Plessis of Anglo American, the largest employer in the mining industry, said: "There is no doubt that allegations of discrimination have been an important aspect of union mobilisation on the mines."

The declaration is only one interim stage in a detailed list of events. Mr Johan Liebenberg, senior general manager at the chamber, said that it had undertaken to reply fully to the NUM's memorandum by January 18. The parties would meet again on January 21 to ratify yesterday's agreement and aimed, by February 9, to have outlined a mechanism whereby it could be implemented.

Two big challenges remain: agreeing what constitute discriminatory practices, and establishing mechanisms to outlaw them while accommodating the diverse operating circumstances of the various mines.

October 1995. Union leaders yesterday said strike action seemed unavoidable.

Most western German workers in the engineering, electronics and car industries settled in May for a 6 per cent pay rise over one year and a 35-hour week to be phased in by October 1995.

In the Bonn coalition, negotiations between the Christian Democrats have rejected an offer of a 6 per cent pay rise over one year and a 1½-hour reduction in the working week, to 35 hours, in

rate tax rate - no more than 40 per cent - for companies based in east Germany. The defeated Social Democrats now appear likely to choose Mr Björn Engholm, premier of Schleswig-Holstein, as party chairman.

The inflation rate in the west German states fell back slightly to 3 per cent in November after touching 3.2 per cent in October. The rate for the year is still expected to be just under 3 per cent.

VW strike averted by pay deal

By David Goodhart in Bonn

THE threatened strike action by Volkswagen's 130,000 German workers has been avoided by a deal on pay and working hours.

However, strike action is looming in parts of the west German steel industry after workers in the north western states of Lower Saxony, Bremen and North Rhine-Westphalia rejected an offer of a 6 per cent pay rise over one year and a 1½-hour reduction in the working week, to 35 hours, in

October 1995. Union leaders yesterday said strike action seemed unavoidable.

Most western German workers in the engineering, electronics and car industries settled in May for a 6 per cent pay rise over one year and a 35-hour week to be phased in by October 1995.

In the Bonn coalition, negotiations between the Christian Democrats have rejected an offer of a 6 per cent pay rise over one year and a 1½-hour reduction in the working week, to 35 hours, in

Polls foresee substantial victory for Walesa

By Christopher Bobinski in Warsaw and Anthony Robinson in London

POLAND'S mercurial Solidarity leader Mr Lech Walesa is tipped by the latest opinion polls to win the presidency by a substantial margin in tomorrow's decisive second-round vote against Mr Stanislaw Tyminski.

But with memories of the Polish-Canadian businessman's surprise defeat of Prime Minister Tadeusz Mazowiecki in the first round two weeks ago still fresh in people's minds, pollsters worry that many protest voters are refusing to state their true preference.

Mr Walesa is backed by the powerful Catholic church, which remained neutral in the first round, and has also secured the grudging endorsement of Mr Mazowiecki and some, but not all, Solidarity leaders. Many former close advisers and friends deeply resent the way he has destroyed the former Soli-

darity alliance of workers, church and intellectuals which undermined the old communist order.

They will vote for him reluctantly out of fear that a victory for the previously unknown Mr Tyminski would make Poland a laughing stock and jeopardise hopes of attracting foreign investment.

By gaining 23 per cent of the vote in the first round, against 38 per cent for Mr Walesa and only 18 per cent for the prime minister, Mr Tyminski drew attention to the depth of popular resentment, especially among miners and other working-class communities, at the hardships imposed by the IMF-backed austerity plan designed by Mr Leszek Balcerowicz, the finance minister.

The strength of his support also revealed the failure of Mr Mazowiecki's government to explain the reason for

the hardships or to take the electorate into its confidence.

Mr Walesa, a popular hero for a decade, hoped to be the beneficiary of this popular disenchantment, only to be cast aside by nearly a quarter of the voters in favour of Mr Tyminski, a man who left Poland at the age of 21 and returned only recently as a self-made "millionaire".

"You too can be rich" is his simple message to those at the bottom of the social pile, who resent what they see as the arrogant intellectuals of Warsaw and despair of ever rising above the old poverty now made worse by the new and disturbing "capitalist" phenomenon of mass unemployment.

Clearly rattled by his unexpected challenger, Mr Walesa has spent the last two weeks fighting a bitter per-

sonal campaign against a man he sought to portray as being linked to the old communist nomenklatura - old-boy network - and secret police. Mr Tyminski retaliated with threats to reveal documents sullied by Mr Walesa and other Solidarity leaders.

If he wins, Mr Walesa will have to work hard to regain his former popular support, but could still emerge as a powerful president able to dominate what is likely to be a weak government and a fragmented parliament.

Mr Tyminski, with no previous experience of Polish politics and no real organisation behind him, would find it much harder to assert his authority, and harder still to change the harsh reality of a country in the throes of painful transition to democracy and a market economy.

The Financial Times (Europe) Ltd
Published by the Financial Times
Group, 100 Brook Street, London W1A 2JL.
(Globe) 020 7576 7000. Fax: 020 7576 7001.
Mails: 1. Telephone 060-759860; Fax: 060-759861.
Toll-free 1-800-421-2000.
2. E-mail: ft@ft.com
3. Telex: 940000
4. Cable: FT
5. Registered office: 100 Brook Street, London W1A 2JL. The Financial Times Ltd, 1990.

Registered office: Number One South
Bank, London SE1 1TA. Company
Incorporated under the laws of
England and Wales. Chairman: D.E.P.
Palmer, M.A. Secretary: D.E.P.
Palmer, M.A. Managing Director: S. Hughes,
168 Rue de Rivoli, 75004 Paris Cedex
01. Tel: (01) 4297 0621; Fax: (01) 4297
0622.
Printer: SA Nord Edito 1972, Rue de
Calais, 93100 Roubaix Cedex 1, FRN.
ISSN 1148-2753. Commission Paritaire
No 57085.

Financial Times (Scandinavia) Inter-
continental 44, DK-1100 Copenhagen-K.
Denmark. Telephone (33) 13 44 41. Fax
(33) 933333.



Tyminski with what he claims is evidence against Walesa

Lech Walesa

INTERNATIONAL NEWS

US ready to permit UN resolution on Israel

For once, Baker is on the level

Peter Riddell assesses the Secretary of State's handling of the Gulf crisis

By Our Foreign Staff

THE United Nations Security Council was last night trying to prepare a resolution on the Arab-Israeli conflict that would avoid a US veto.

The 15-member council's discussion of the resolution coincides with the US tour of Mr. Yitzhak Shamir, the Israeli prime minister, who arrived in Washington yesterday.

Mr. Shamir said in London before departing for the US that Israel would "not agree to any foreign body deciding its future and fate".

US officials said Mr. Thomas Pickens, the American ambassador to the UN, was discussing the draft resolution with other council members, and with Washington, throughout yesterday.

White House spokesman Mr. Martin Fitzwater, accompanying President George Bush on his tour of Latin America, said: "We're trying to work out language that is acceptable, that meets our policy. Obviously

the UN wants to speak to this issue."

A draft was reported to have won approval in principle on Wednesday by the five permanent Security Council members - the US, the Soviet Union, Britain, France and China. But US officials said yesterday that Washington was making changes in the language of the resolution.

An early draft of the resolution, proposed by Colombia, Malaysia, Cuba and Yemen, seeks to set out UN conditions for Israeli treatment of Palestinians in the occupied territories. It also proposes that "a properly structured" peace conference could be held at "an appropriate time" to resolve the regions problems.

US officials strenuously denied claims on Thursday that the Bush administration was either supporting or opposing an early Middle East conference and strongly resisted any suggestion of link-

age between the Arab-Israeli conflict and the Gulf crisis - a key element in Iraq's proposals for a negotiated settlement over Kuwait.

However, there have been indications that Washington may refrain from vetoing a resolution which includes the suggestion that a peace conference be held at an unspecified date. The US yesterday sought to sustain the military and political pressure on Iraq by continuing to emphasise the threat of military action to evict Iraq from the emirate.

Mr. Dick Cheney, the US defence secretary, said at a meeting of Nato defence ministers in Brussels he expected the allies to respond to its request for extra military assistance in the Gulf.

The US had asked for sea and air transport and heavy combat units. But Mr. Cheney said the US did not rely on further allied forces to have an effective offensive capability.

JAMES BAKER's reputation as a political fixer is well established. So much so that the first question many in Washington asked when the US Secretary of State gave evidence this week on the Gulf crisis to Congressional committees was: What did he really mean? Yet for once Mr. Baker may have meant precisely what he said.

Suspensions were aroused about Mr. Baker's motives early in the crisis when he was somewhat uneasily, and unusually, in the background. There was talk of him acting as a restraining influence on President George Bush, his close friend.

But in the past month Mr. Baker has re-emerged as a central figure both in the execution of Mr. Bush's policy and, this week, in its public explanation.

Mr. Baker has seen himself as playing a key part in ensuring that the threat to take military action should be credible as the only way to force Iraq out of Kuwait. For Mr. Baker that does not mean inevitable war. In his prepared statement, he referred to peace or a peaceful solution 16 times.

In his first task of securing passage for a UN resolution authorising force, he travelled more than 37,000 miles during November. The key discussions were with the Soviet leadership. Mr. Baker has built up a close working relationship with Mr. Eduard Shevardnadze, the Soviet foreign minister, during their increasingly frequent discussions of the past 18 months, which continue in Houston early next week.

Their statements and actions are now co-ordinated as if Mr. Baker was dealing with British or German ministers.

Mr. Baker has recognised the Soviet need to be treated as if it was still a superpower and to have a role as a player in influencing the development of Gulf policy - and not just a



Baker testifying at a congressional hearing. Democrats gave him a rough ride

follower of the US lead. This was reflected in the discussions about whether to have one or two resolutions and the Soviet desire, reflected in the final resolution, to have a grace period before a mid-January deadline to allow time for a final diplomatic push.

Mr. Baker's proposal to open direct contacts with Baghdad in part originated in these talks. It is unclear yet how far an understanding about such a diplomatic initiative was a condition of Soviet backing for last week's UN resolution.

The US has responded to the growing impatience of an admittedly divided Soviet leadership with its former client in Baghdad. President Gorbachev has fully realised the implications, according to one US official, he told Mr. Baker: "You will have to use force."

That is precisely the dilemma which Mr. Baker has faced in the past few days in seeking to obtain "the fullest support of Congress and the American people behind the message of the international community" when he goes to Baghdad.

Mr. Baker, who had previously been treated almost deferentially on Capitol Hill, received a rough ride from Democrats in favour of waiting longer to allow time for sanctions to work and against rushing into military action.

At times the normally unflappable Mr. Baker became almost testy. He knew that a divided Congress undermined US efforts to apply pressure on Iraq and Democratic reservations were being eagerly seized upon by President Saddam Hussein. That is why the US has been clamouring for concessions or negotiations and what it sees as the diversions of an immediate Middle East peace conference (acceptable only at "an appropriate time" after the crisis is resolved).

Mr. Baker knows that talk of secret deals undercuts the international pressure. If the Iraqi leader wants to trumpet a UN resolution talking about an eventual peace conference it is up to him, but the US and the international community must not appear to be making concessions or rewarding aggression.

When he goes to Baghdad, probably in early January, he will have to take a tough line (however much one hand will be restrained by Congress).

He may want to be known as the man who brought off a peaceful solution to the Gulf crisis, but he cannot afford to be known as the man who sold out Kuwait and kept Saddam Hussein in power.

US/Iraq talks to start in nine days

By Peter Riddell

THE first high level direct contact between the US and Iraqi governments over the Gulf crisis is likely to occur in nine days time on December 17 when Mr. Tariq Aziz, the Iraqi foreign minister, visits Washington.

Procedural wrangling continued yesterday about the precise details of the meetings.

Ms Margaret Tutwiler, the state department spokeswoman, said the US would not agree to a meeting between President George Bush and Mr. Aziz until Baghdad agreed a date for a meeting between President Saddam Hussein and Mr. James Baker, the Secretary of State. Baghdad had proposed the talks be held on December 17.

The State Department also announced that the US would be bringing its eight diplomats home from its embassy in Kuwait City which has been besieged by Iraqi forces for the past three months with water and electricity cut off. This will happen once they finish helping all Americans who wish to leave the country. There are an estimated 300 Americans in Kuwait.

The US side has insisted that there will be no negotiations and the meetings will be merely to convey the message of the recent United Nations Security Council resolution that Iraq must unconditionally withdraw from Kuwait and restore its legitimate government or be forced to do so through military action.

The talks in Washington will be bilateral after the US dropped an earlier suggestion that the ambassadors in Washington of some members of the international coalition might meet Mr. Aziz.

Occupied lands put under curfew

By Hugh Carnegie in Jerusalem

THE Israeli army yesterday began imposing curfews on the occupied West Bank and Gaza Strip and moved in reinforcements in an effort to prevent demonstrations marking the third anniversary tomorrow of the start of the Palestinian uprising, or *intifada*.

Although for most of this year the uprising has been less intense than in the first two years, the Israeli authorities have been worried by an upsurge in the past two months of stabbings and shootings of individual or groups of Jews.

circulated by the Palestine Liberation Organisation-dominated underground leadership appeared to sanction the use of arms for the first time in the *intifada*. On Wednesday, three Israelis were injured when a bus and car were fired on north of Jerusalem.

Mr. Moshe Arens, the defence minister, subsequently warned that the army would meet "fire with fire". The government is also considering reviving the much-criticised policy, abandoned last year under strong US pressure, of deporting Palestinians involved in violence.

ing to more lethal methods by Palestinians is mainly backed by the Islamic fundamentalist movements, Hamas and Islamic Jihad, whose influence has grown with the frustration at the lack of political progress. However, most pro-PLO leaders remain reluctant to take a step which would in effect license even tougher policies by the Israelis.

To date more than 740 Palestinians have been killed by Israelis in the uprising and 55 Jews have died. Some 200 Palestinians have died at the hands of fellow Arabs, usually as alleged collaborators.

Terminal will handle Channel tunnel freight

By Richard Tomkins, Transport Correspondent

BRITAIN'S first rail freight terminal catering specifically for goods passing through the Channel tunnel is to be built in Wakefield, West Yorkshire, at a cost of up to £150m, it was announced yesterday.

The terminal, to be called Port Wakefield, will occupy the Yorkshire and Humberside region from a 200-acre site in the Normanton area of Wakefield. It is expected to create up to 4,000 jobs when complete.

Port Wakefield is the first of up to 12 regional freight terminals that will act as focal

points for collecting and distributing international rail freight when the Channel tunnel opens in 1993.

It will be developed by a public and private-sector partnership comprising British Rail's Railfreight Distribution Division, Amec Regeneration - a subsidiary of Amec, the construction, engineering and development group - and Wakefield District Council.

The partnership will spend an initial £22m on facilities such as cranes for transferring freight between rail wagons

and road vehicles. The value of the development is then expected to climb as related activities such as warehousing and distribution move in.

When fully operational, the freight terminal should provide road collection and delivery services, secure storage, lorry parks and possibly a motel. Manufacturing is also likely to move on to the site.

Railfreight Distribution and Amec Regeneration said the focus for activity at the freight terminal would be its ability to offer fast, direct export-import

services between the Yorkshire and Humberside region and principal markets on the European mainland.

Door-to-door freight services would offer next-day, or on the longest hauls, two-day delivery. "Typically, a terminal near Milan will take 36 hours," they said.

Railfreight Distribution envisaged that the freight terminal would lead to a significant transfer of freight from road to rail. In terms of transit times, we'll knock spots off the competition," it said.

It added that the freight terminal might change perceptions about rail freight by attracting people to locate close to a railway instead of a motorway.

"If we can get people to think of rail instead of road, then clearly we will have a very significant business advantage," it said.

Port Wakefield is being built mainly on derelict BR and British Coal land in Normanton. It is expected to be ready in time for the scheduled opening of the tunnel in June 1993.

Row over gas competition creates hot air

Steven Butler reports on a clash between the regulators and the privatised supplier

BRITISH GAS is again butting heads with the Office of Gas Supply, the regulatory body, over the nettlesome issue of competition in the industrial gas sector.

Mr. James McKinnon, director general of Ogas, is unhappy about the slow pace at which competition is developing in spite of a Monopolies and Mergers Commission investigation that finished two years ago, and government intervention to prod competition. He is also unimpressed by the company's co-operation with the letter of the government's recommendations. Mr. Robert Evans, the chairman, has appeared to bend over backwards to welcome competitors.

None the less Mr. McKinnon says British Gas is obstructing the process and suggests that the company might face being broken up unless it mends its ways by the spring, when the government is due to review the state of competition.

He insists that he hopes that will not happen. Break-up of the industry can be avoided, he says, if British Gas sells gas at acquisition cost plus a reasonable margin to its competitors, who would then sell the gas on to customers.

The government tried to jump-start competition in the industrial gas market two years ago using two measures. One was to make gas available by preventing British Gas from buying more than 10 per cent of gas output from a new field. The second forced it to publish price schedules in order to give market entrants a benchmark to compete against (and to prevent predatory pricing by British Gas).

In spite of all the talk about changes in the gas market, the majority of industrial and commercial gas consumers still have no choice of supplier and will not have a choice for the foreseeable future, Mr. McKinnon calculates that, on current trends, gas destined for the firm contract market - the mainstream of British Gas's industrial market - would be less than 10 per cent in 1993, the MMC's date for reassessing whether competition has taken hold. Mr. McKinnon says a target of 30 per cent should be set.

British Gas says that while competitors' share of the market in 1993 might still be small, it would be growing rapidly by that time.

The company says it has bought less than half of the new gas offered to the market since the MMC report. Yet most of the gas sold to others will go to power stations. Mr. McKinnon calculates that less than 2 per cent of that gas is destined for the general industrial and commercial market - obvi-



British Gas chairman Robert Evans (below) is seen to be bending over backwards to accommodate Ogas chief James McKinnon (above)

ously not enough to make competition mean very much.

Meanwhile, everybody is stuck with a cumbersome and unpopular system of published price schedules and no one can negotiate a flexible deal.

"Customers are now in a much worse position than they were when British Gas was a nationalised industry," says Mr. McKinnon.

Mr. Jonathan Stern, a gas specialist at the Royal Institute of International Affairs, sympathetic with Mr. McKinnon's frustration.

He sees Mr. McKinnon as stuck in a nearly impossible position. Genuine competition may prove elusive without splitting up British Gas, yet to do so might look like a betrayal of investors who bought British Gas shares during the privatisation four years ago. In any case, he adds, breaking up British Gas would be an enormously complex affair that would bring few apparent political or financial benefits. Meanwhile, he is left with a complaining constituency of consumers who hate the price schedules aimed at promoting competition.

The elusiveness of competition has some industry experts very worried. Mr. Nick White, a gas specialist at the consulting group Arthur D. Little, sees Mr. McKinnon's latest outburst - particularly Mr. McKinnon's suggestion that he may mediate to determine a "fair" price for British Gas gas sales to competitors - as part of a process of creeping regulation that the industry has always feared. The regulator appears gradually to be expanding its brief as the goals of achieving competition prove elusive with the possible end result a heavily regulated industry, rather than a competitive one.

The suggestion that British Gas should sell gas to competitors raises a thicket of difficult questions. How long is British Gas to provide such a service? What happens, years down the road, if alternative sources of gas are still not available? What is a "fair" reward for British Gas for assuming the risk of buying an entire North Sea gas field?

The whole issue of risk and reward allocation is going to be tossed away," says Mr. White. "What he is effectively saying is that contracts will have to be torn up."

Mr. McKinnon denies that and says that such arrangements are only a temporary measure to boost competition. But will his suggestions prove any more effective than MMC recommendations aimed at promoting competition? And what happens if they are not?

Although Mr. McKinnon blames British Gas for standing in the way, there is the broader question of why gas producers have not rushed into the market. Oil industry executives and financial specialists say consistently that gas fields cannot be financed and developed without a long-term contract because the risks are too great. Yet, to date, only British Gas and some power stations have been willing to sign such contracts.

"It came as a great surprise to me that companies with such huge capital investments would sit on the product, not try to get it to market on Day One," says Mr. McKinnon.

Mr. McKinnon suggests that small gas accumulations could be sold 100 per cent into the industrial and commercial market. Many see that view as unrealistic on economic grounds, because small accumulations are expensive to develop and small marketing companies are not established enough to assume the risks of a long-term contract.

Mr. Stern believes the gas producers, and not just British Gas, must also bear responsibility for the failure of competition to take off.

LAPHROAIG



ON ISLAY THE PEAT IS STRONG ENOUGH TO MOVE THE ROADS. (WHAT ON EARTH DOES IT DO TO LAPHROAIG?)

Built on a bed of peat, it is the roads on Islay that do the travelling. As the highly absorbent peat takes in water, it expands and forces the roads to rise and fall. It is this same peat that is cut, dried and then burnt in kilns to malt the barley when making Laphroaig. Giving Laphroaig a distinctive rich and smokey taste that has remained unchanged for well over 150 years. As for the roads? Well, they have their ups and downs.

SINGLE ISLAY MALT. AS UNIQUE AS THE ISLAND ITSELF.



UK NEWS

NEWS IN BRIEF

BSkyB to replace Squarials

SQUARIAL receiver dishes will be replaced free of charge with Sky dishes when BSkyB stops broadcasting from the old BSB satellite, writes Alice Rawsthorn.

The Independent Broadcasting Authority has told BSkyB, the producer of the merger between the BSB and Sky satellite television systems, that it will eventually withdraw its licence for BSB's Marco Polo satellite.

TGWU costs review

THE Transport and General Workers' Union is to cut staff numbers and reduce other costs to remedy a deficit of 59m. Mr Ron Todd, TGWU general secretary, said yesterday that he would review all aspects of the union's operations.

He said the union, which has 1.2m members, did not face a "major crisis" but had to act to correct the deficit.

His review, approved this week by the union's national executive, might lead to the merger of some of the union's 11 regions.

The claim, for a 20 per cent pay rise for 140,000 administrative and clerical staff in the National Health Service, is to be submitted by the Nalco public-services union, a union delegate conference decided yesterday.

The claim, for a 20-a-week rise and an extra 5 per cent, will be backed by the threat of an industrial action ballot if the final offer is unsatisfactory.

Tyne Tees job cuts

TYNE TEES Television will make 173 workers redundant from its operations in the north-east during the first half of next year. The reductions represent about 30 per cent of the workforce.

Mr David Reay, managing director of Tyne Tees, said yesterday that the economic climate and the changed basis for allocating the new Channel 3 licences were to blame for the job losses.

Brel plant will close

BREL, formerly the engineering division of British Rail, yesterday announced the closure of one of its two plants in Derby with the loss of 200 jobs through natural wastage over two years.

The company, which was privatised last year, is to transfer its operations to a single plant. The company employs 8,500 people, 4,500 of them in Derby.

ICI to shed staff

ICI FIBRES in Brockworth, Gloucestershire, which employs 1,350 people in nylon production, is to shed 250 jobs during the next two years to help achieve "reasonable profitability".

Lucas pension deal

LUCAS INDUSTRIES, the Birmingham-based electronics firm, has reached agreement with its employees to reduce its pension fund surplus.

The company will transfer a net 590m from the pension fund, allowing it to reduce borrowings. Implementation of the transfer is subject to final valuation of the fund in the new year and to approval by the Occupational Pensions Board. Benefits for pensioners are also to be improved.

Exchange considers the next stage of its electronic revolution

MR George Hayter has been at the centre of the electronic revolution in London's stock market for the past 14 years.

So it is no surprise that, after his sudden departure yesterday from the second most powerful executive job at the London Stock Exchange, the market's users are asking an important question: how will the exchange proceed with its electronic development?

Since the exchange left its trading floor four years ago, the answer to that has been at the heart of its role and future development.

Mr Hayter's departure also opens

the way for Mr Peter Rawlings, brought in as chief executive a year ago, to bring in his own appointee to a key position at the exchange.

Combined with the impending departure of another of the triumvirate of managing directors - Mr Stewart Douglas-Mann, head of the primary markets division - that will lead to the final step in the overhaul of senior management which began earlier this year.

There is now no doubt that Mr Rawlings intends to introduce an entirely new management team to what he has often in the past criticised as a ramshackle

Richard Waters on the likely impact of the departure of George Hayter

and bureaucratic organisation. Mr Rawlings and Mr Hayter insist that they see eye-to-eye on the new strategy that the exchange is in the process of formulating - indeed, Mr Hayter goes out of his way to suggest that the strategy, often enunciated publicly by Mr Rawlings, was in fact his idea.

That approach involves a segmentation of the stock market to create different trading conditions for pro-

fessional and private investors. The basic approach has been agreed, but Mr Rawlings says that Mr Hayter's successor will have plenty of say in determining strategy's final form.

So why is Mr Hayter leaving? In part, it seems, because he was himself overlooked when a new chief executive was selected last year. He denies that this indicates plague on his part. Although he went through the selection procedure, he says he

never harboured much belief that he would get the job, or desire for it. However, he says that at 52 he still has enough years left to move into a new field, and is keen to explore the strategic application of information technology in other industries (he worked on the development of British Airways' worldwide reservations system before joining the exchange).

For Mr Rawlings, the departure marks an important break with the past. When Mr Hayter arrived, the exchange had just two information systems: an ancient telephone exchange and a closed-circuit televi-

sion system on which details of share prices were spread from the trading floor.

It now runs a myriad of information, settlements and other systems, and is in the process of re-engineering its entire range of electronic services according to a blueprint devised by Mr Hayter.

The strategy for the structure of the exchange's various markets may not be complete, and the re-engineering may not yet be under way. But it would take a significant shift in direction for the exchange to move away from the lead Mr Hayter has given.

Minister backs calls to reform board structure

By Richard Waters

MR JOHN Redwood, the corporate affairs minister, yesterday added his support to calls from institutional investors for an overhaul of the way the boards of some public companies run their affairs.

In a wide-ranging statement on the way companies are run, Mr Redwood said there was merit in separating the roles of chairman and chief executive. He did not suggest that that should happen in all cases, or that the government was considering legislation.

He also supported calls from institutions for what he called "ideal-driven growth" by executive directors on public company boards. "The presence of non-executives on a company board may well scale down the more outrageous ambitions of chief executives and chairmen," he said.

However, he said that would not be a legal requirement, since "it is easy to circumvent the spirit of such legislation by just putting on the board the chairman or chief executive's friends."

He added: "Better corporate

governance does require the remodelling of some boards of directors."

Mr Redwood also said: "Some banks may need to develop a closer relationship with their corporate customers."

Directors should make sure their credit lines are sufficiently long-term and would not be cut if their trading conditions deteriorated.

Directors will be pursued actively to make sure they file company accounts on time.

Takeovers often do little for the shareholders of bidding companies. "Lack of success by bidding companies should cause boards of directors to have second thoughts on some occasions."

In spite of his reservations about "ideal-driven growth" through takeover, Mr Redwood expressed his support for the UK's open stock market, and added that the market "usually gives the highest ratings" to those companies which invest successfully in the future and in research and development.

Workforce is key to success, delegates told

By Lisa Wood, Labour Staff

THE QUALITY of the workforce, and not that of the software, will be the test of the company's success in the 1990s, Sir Leon Brittan, vice-president of the European Commission, told a conference in London yesterday.

Sir Leon was speaking at Capital People, the first European conference to be held on the formulation of resource strategies for the financial services sector in the European Community.

Mr Jeremy Harrison, a consultant on human resources who was one of the organisers, said more than half the delegates were from other EC countries, which he said was a reflection of the "deep complacency" of the City of London towards both human resource development and the EC.

Sir Leon said: "Already, technical knowledge is important, is no longer a guar-

antee of success. Almost every product - financial or technical - can be copied as the necessary technology becomes even more widely accessible.

"Maintaining protective markets, or even market niches, is also becoming increasingly difficult. Controlling costs will always be necessary for success, but only the provision of quality will guarantee it, and that quality can only be determined by the workforce."

Mr Liff Mills, general secretary of the Banking Insurance and Finance Union, said training was the key to success in Europe, particularly in the financial industry. Unions were becoming increasingly aware of the need for training.

Mr Michael Howard, the employment secretary, said Britain could boast that it was the only member state to have implemented all the legislative measures in social affairs.

Oil asset swaps agreed

CLYDE Petroleum, the independent UK oil company, and Fina Petroleum, part of the Belgian oil group, have agreed to an exchange of assets in the UK continental shelf of the North Sea, writes Richard Govey.

The swap lifts Clyde's interest in the Gryphon Field from 10 per cent to 35 per cent and reduces its stakes in the Alba

and Kilda fields as well as ending its involvement in the Maggie/Armadale gas area. Clyde believes the Gryphon field has likely reserves of 90m to 120m barrels and that the asset swap should lead to development in 1991.

The swap lifts Clyde's interest in Gryphon above that of the operator, Kerr-McGee, which has 25 per cent.

Tycoon with a passion for gold and silver

Trafalgar House's chairman has a hidden creative talent, Andrew Taylor discovers

FEW people will have been more satisfied than Sir Nigel Brookes at the joining of Britain and France by a tunnel under the sea bed of the Channel last weekend.

The chairman of Trafalgar House - the construction, shipping, property and hotels group he started more than 30 years ago - was one of the most influential figures in persuading the UK government that a privately financed cross-Channel link could succeed.

In fact, he expresses disappointment that he has not been more closely involved in the construction of one of the world's biggest engineering projects.

Colleagues say he is happiest when he has a big project to keep him absorbed. In recent years, those have included promoting a scheme to build a road bridge and tunnel across the Channel.

For five years, Sir Nigel led the regeneration of the derelict former docklands of east London, acting as the first chairman of the London Docklands Development Corporation.

Sir Nigel, 56, admits to being easily bored, although some describe the trait as impatience. He is known to be demanding and to be someone who usually gets his own way.

The prospect of having to retire one day from Trafalgar House disturbs him, Sir Nigel admits.

The need to keep busy prompted him 15 years ago to take up a hobby, and he became an accomplished silversmith and goldsmith. "The silver work is not a retreat or even a refuge from work," he says, "although it is very different from my commercial life. My hobby fascinates me but it is an addition to my life, not an escape."



Sir Nigel Brookes: "Like anybody else, I enjoy getting recognition for my successes"

Sir Nigel tries - but often fails - to spend an average of six hours each weekend in his workshop at home at Checkendon, Oxfordshire. "This year it has been more like three hours a weekend," he says. "I never go there until the office work is complete."

"I enjoy the designing as much as the physical work. It takes a lot of stamina and strength for my 7lb hammer, although I do much less physical work these days."

One piece designed and made by Sir Nigel is a silver-gilt candelabra made to complement a pair that he owns

crafted in 1815 by the French silversmith Odier. He has also made other pieces, including several gold goblets, a coffee pot, a soup tureen and a silver cradle for an enamelled egg.

Sir Nigel also fashioned the silver cutlery, except for the coffee spoons, used at his large Oxfordshire home. He buys in precious-metal raw material from Johnson Matthey.

"Most of the work is for use in the home," he says. "One or two pieces I have given as presents." A small table decoration made at Checkendon was sold recently for 2500 at a charity auction.

A chance conversation with an old friend from the building industry gave him the impetus for his hobby. "I had been working almost continuously since the ages of 20 and 40 to build the company up, with no time for anything else," says Sir Nigel. "My friend was a polo player. I told him I envied him his pastime. His reply was that he had always wanted to be a silversmith."

A week later at an election party hosted for the Conservative Party by Lord McAlpine he met Professor Gerald Benney, one of Britain's best silversmiths and goldsmiths. The following weekend, at Prof

Benney's Berkshire workshop, he made his first silver goblet. Given her husband's low threshold for boredom, Lady Brookes, to whom Sir Nigel has been married for 34 years, is surprised that he has maintained his enthusiasm for the hobby. However, after his family Trafalgar House remains his abiding passion.

"I sometimes cannot understand why I have been so committed to a single commercial enterprise for so many years," he says. "But I continue to be fascinated by every single aspect of the company's business."

He values his privacy and says his hobby and his work are in their own ways solitary pursuits. "Business involves meeting and talking to lots of people, but I am more reclusive than extrovert. I am not a socialite. I have not been to Annabel's for many years."

Evidence of his determination to succeed emerged during his years at Stowe School when, even though he loathed games, he led his house to victory in a school rugby match.

At weekly later, "I was under 16 at the time, slow but fairly strong, and I was determined that we would win. The triumph, such as it was, was one of planning and organisation sustained over a period of eight to 10 weeks."

"Later on in life, I found from time to time that I reproduced such periods of sustained but restricted endeavour - and to good effect."

Sir Nigel expressed resentment that he was never awarded his house colours for his victory. He says: "Like anybody else, I enjoy getting recognition for my successes. Part of the pleasure of my hobby comes when someone picks up a piece of silver and says they like it."

English court to hear ISC damages suit

By Raymond Hughes

A MAN said to have been allegedly masquerading as Mr James Gueira, former deputy chairman of Ferranti International, the UK electronics and defence company, yesterday failed to stop a damages claim being brought against him in England.

Mr Wayne Kistler Radcliffe, who lives in Pennsylvania, claimed he faced ruin and feared he would be arrested if he had to travel to England to defend himself. He is the only remaining individual defendant in damages action in which ISC Technologies and ISC London, the Ferranti subsidiaries, allege they were defrauded of \$189m (\$57m).

Last summer, the companies obtained court judgment for \$189m and damages to be assessed against Mr Gueira, chairman of ISC when it was taken over by Ferranti; Mr Robert Shireman; and Mr Lawrence Resch, two of a number of Panamanian companies. ISC is trying to enforce those judgments in the US.

Mr Radcliffe asked the High Court to set aside an order allowing the ISC groups to serve the claim outside England. He claimed that there was insufficient evidence that he had known the contracts involved were fictitious.

Unions to compete for Asda staff

By John Gapper, Labour Editor

TRADE unions may spend six months competing for membership in some stores owned by Asda, the supermarket chain, as a result of a Trades Union Congress ruling.

The TUC has ruled that the GMB general union, the TGWU transport union and the Udaw distributive trades union may have to vie for membership in some stores to prove which has the best claim to represent staff.

The TGWU yesterday warned Asda that it faced a "recruitment war" in three stores in which the company ended recognition of the union in favour of the GMB.

In another six stores, the TUC has given sole representation rights to the TGWU.

The formula follows an attempt by Asda to simplify its bargaining arrangements. The company ended recognition of the TGWU and Udaw in 60 stores formerly owned by Gateway when it took them over last year.

Asda de-recognised the TGWU and Udaw because it already had a single-union agreement with the GMB. The TUC decision indicates the difficulties companies face in cutting the number of TUC unions with which they deal.

The ruling by a TUC disputes committee prevents the GMB from recruiting members altogether in some stores. In others, Udaw and the TGWU

will be given free reign for six months to prove their claim by recruiting at least 30 per cent of staff.

If either union fails to break the 30 per cent barrier, the GMB will be allowed to compete for members for the next six months. The TUC will award recognition rights to the union with most members.

However, the decision is unlikely to affect Asda's decision to ignore all unions except the GMB.

Brian Ravell, TGWU national officer, said the union was being approached by Asda staff who wanted to join. The union had so far adopted "a fairly passive role", but now intended to "respond strongly".

Audit body may train accountants

By David Waller

THE National Audit Office, the government auditing body, is likely to become the first organisation other than an accounting firm to train fully fledged chartered accountants.

The change has become possible under rules approved this summer by the members of the Institute of Chartered Accountants in England and Wales, which allows for training outside public accountancy for the first time since the institute was founded 110 years ago.

The NAO is planning to recruit up to 40 would-be chartered accountants next year. According to the institute, three industrial companies are close to winning formal authorisation to train chartered accountants from autumn 1991, and many more have expressed interest, in spite of stringent requirements.

A consultancy firms are already worried about the difficulties of recruiting graduates when the student population is falling, and fear that Topp will exacerbate the problem.

LEGAL NOTICES

No. 50000 of 1990
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

IN THE MATTER OF
PWT WORLDWIDE LIMITED
- and -
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on 12th November 1990 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named Company from £250,000 to £100,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard on 15th December 1990 at 10.30 am before Mr Justice Millett at the Royal Courts of Justice, Strand, London WC2A 2LL, on Monday the 17th day of December 1990.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the said time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned Solicitors on payment of the regulated charges for the same.

DATED this 6th day of December 1990
Slaughter and May,
25 Abchurch Lane,
London EC4N 3DG
Solicitors for the said Company

BOND TRUST OF THE WORLD/LUXEMBOURG

(Mutual fund organized under the laws of the Grand-Duchy of Luxembourg)

NOTICE OF DIVIDEND ON TYPE "A" SHARES

Pursuant to article 17 of the management regulations of the Fund, the board of directors of World Bond Trust Management Company, on December 6, 1990, decided to distribute, for the fiscal year ended on September 30, 1990, a dividend to be paid out of the net distributable income (which comprises the net investment income of the Fund and the net investment income prorated on the net issues and repurchases of Fund shares during the accounting year of the Fund) and of the net realized capital gains of the Fund.

This dividend was fixed at U.S.\$ 1.63 per share and will be paid, on and after December 17, 1990, to holders of type "A" shares of the Fund issued and outstanding as of noon (Luxembourg time) on December 7, 1990, which constitutes ex-dividend and record date.

This dividend will be paid:

- to holders of type "A" shares in registered form and to holders of confirmations of type "A" shares not physically created, through the principal paying agent, by transfer or cheque pursuant to the instructions given to him by holders of such certificates or confirmations, and

- to holders of type "A" shares to bearer, against coupon no. 9.

The following banks, at the offices indicated, will act as paying agents for the type "A" shares of Bond Trust of the World:

In the Grand-Duchy of Luxembourg:
Société Générale Alsacienne de Banque
15, avenue Emile Reuter
L-2420 Luxembourg

In France:
Société Générale
23, Boulevard Haussmann
F-75009 PARIS

THE PRINCIPAL PAYING AGENT
SOCIÉTÉ GÉNÉRALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

Study sees risk in Mersey barrage

By Ian Hamilton Fazez, Northern Correspondent

SHIPPING INTERESTS that oppose the plan to construct an 850m electricity generating barrage across the River Mersey have released a study alleging that it would endanger shipping, threaten the survival of Garston Docks and lead to congestion.

The £250,000 study says currents and eddies created by the barrage would increase the risk of collision, and that the barrage's locks would not be able to handle enough traffic.

It says a queue of 100 ships would build up within two months.

The study, by Port Advisory Services, a Dutch consultancy working with Delft University and Delft Hydraulics Laboratory, was commissioned by Manchester Ship Canal together with Shell UK and Mersey Docks and Harbour

Company, which are both among the 23 subscribers to MBC.

Shell distributed the report to local journalists, emphasising the split among the project's subscribers and signalling the shipping industry's lack of willingness to compromise.

Shell is a principal user of the Mersey because of its refinery and chemicals complex at Stanlow, Ellesmere Port.

The barrage's viability and its economic and social consequences are being assessed by an interdepartmental committee of ministers chaired by Mr Colin Moynihan, the energy minister.

The project would require a government licence as a non-fossil-fuel generator, in order

to create a market for its electricity among the newly privatised supply companies, which are obliged to buy 20 per cent of their energy from sources other than coal.

A report this year by the Ship Canal Users Association also pointed to shipping and safety difficulties, but its arguments were based entirely on heights of tides. The Delft study adds the effects of cross-currents and eddies, and is more rigorous.

The MBC had hoped to have a bill ready for presentation to parliament in November 1991, but shipping interests believe the bill would have poor prospects of success without Department of Transport support.

David Collier

1501/1502

FINANCIAL TIMES WEEKEND DECEMBER 8/DECEMBER 9 1990

5



Introducing Audi's new safety feature. No steering wheel.



Are Audi seriously suggesting taking the steering wheel away from the driver?

In a serious frontal collision, certainly.

Such accidents frequently result in head or chest injuries caused by 'jack-knifing'. This is when the impact forces the steering wheel up towards you and your head and chest move forward inexorably to meet it. (In a 30mph impact, G-forces mean that your head alone could weigh the equivalent of up to 800lbs.)

Compulsory seat-belts, crumple zones and safety cages alone can't always prevent injuries.

Audi's unique Procon-Ten safety system helps to reduce the risk by removing the steering wheel.

If the front of an Audi is hit at a speed of around 25mph or more, the force of the impact moves the engine backwards and downwards along a pre-determined route.

Procon-Ten harnesses this energy to propel the steering wheel into the dashboard within 0.032 of a second.

Out of harm's and your head's way.

Within 0.065 of a second (a lot quicker than the blink of an eye) the seat-belts tighten, pulling you and your front seat passenger firmly back into your seat.

All new Audi models* are now fitted with Procon-Ten. In the hope, of course, that you will never need it.

In fact, rather than hope, we've taken steps to help make sure you won't.

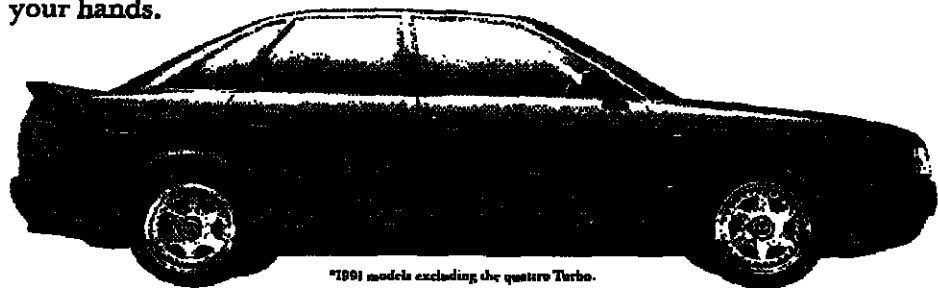
The Audi 80 quattro Sport 16V shown here has four-wheel drive which prevents wheel-spin and improves road-holding.

ABS brakes which help you steer clear of trouble without your brakes locking.

And sports suspension, low-profile tyres and a spoiler which allow you to safely use the 16V's performance.

At Audi then, we've always been concerned for your safety.

Now, the addition of Procon-Ten simply takes the worry out of your hands.



*2001 models excluding the quattro Turbo.

THE AUDI RANGE FROM £12,497-£41,785!

For a VHS video, information on Procon-Ten and on the Audi of your choice please complete the coupon and send to: Audi Information Department, FREEPOST, Yeomans Drive, Blakelands, Milton Keynes MK14 5EY. Or call free on 0800 585685.

Mr/Mrs/Miss/Ms Initials Surname

Address

Postcode

Phone Home Business

I am interested in: 80 ☐ 90 ☐ Coupé ☐ 100 ☐ Estate ☐ quattro ☐ V8 ☐

VORSPRUNG DURCH TECHNIK.

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Weekend December 8/December 9 1990

Going their separate ways

THE URUGUAY round of international trade negotiations lives on - but only just. The sticking point for the EC remains the EC's inefficient and distorting agricultural policy. A successful conclusion to talks should have been the highest priority. Sadly, it may already be too late.

Fears of a "fortress Europe" may be rekindled among the Community's trading partners as a result of the failure of the EC to bend toward a compromise. Consequently, the threat of renewed protectionism looms larger, and slower world trade growth next year may be inevitable.

This could not have happened at a worse time given the precarious state of the world economy. If the UK proves to have been the first big economy to slip into recession this year, the US may not be far behind. Yesterday's announcement that non-farm employment fell 267,000 in November confirms recent survey evidence that the US economy is having a very bad fourth quarter.

While the brake is on for world economic activity, the slowdown is by no means uniform. In Japan and Germany, both of which experienced strong economic growth in the third quarter, the monetary authorities are more concerned by the threat of inflation than recession. The aims of monetary policy are, as a result, increasingly divergent, with US short-term interest rates now lower than they are in either Japan or Germany. In these circumstances, talk of international co-operation to halt the dollar's depreciation is premature.

Even within Europe, where the European exchange rate system has proved itself a durable and successful vehicle for policy co-operation over the past decade, there are signs of increasingly divergent economic performance.

Fiscal deficit

The German fiscal deficit has widened as the costs of unification have mounted, and is expected to reach 5 per cent of gross domestic product by next year. As the pressure on the international pool of savings has increased, so bond yields have risen.

This loose German fiscal policy has the effect of exporting unemployment to the other members of the ERM. High German interest rates, which made the D-Mark attractive to investors, are therefore forced to keep their interest rates higher than they would otherwise wish to maintain exchange rate parity. As recessionary

forces outside Germany have taken hold, these high interest rates have become increasingly unwelcome.

If the fiscal deficit remains high, the real D-Mark exchange rate, adjusted for relative inflation rates, must appreciate. The D-Mark could be revalued upwards within the ERM. But accepting a D-Mark revaluation today, markets may fear further revaluations in the future, thereby delaying a fall in interest rates.

Infrastructure spending

If revaluation within the ERM is unacceptable, German inflation must instead rise faster than elsewhere in the Community, implying a long period of slower economic growth for Germany's ERM partners. Though a rise in German taxes to reduce the fiscal deficit would be welcome, it remains politically difficult. The deficit is caused in large part by the need to finance social and infrastructure spending in the east. The need for this spending is unlikely to go away and should fairly be met by taxpayers in the west of the enlarged federation.

Against that background the prospect of imminent cuts in UK interest rates remains highly doubtful, despite the deepening recession. Retail price inflation will almost certainly have fallen in November. But it would be very risky for Mr Norman Lamont, the new chancellor, to cut interest rates following next Friday's announcement of sterling remains, as now, the weakest currency in the ERM.

Mr Lamont is in an unenviable position. His scope for tax cuts in the next budget is very limited and ERM membership gives the Bundesbank effective control over monetary policy. The Tories' electoral prospects are now substantially in the hands of German economic policy makers.

Following Chancellor Helmut Kohl's victory in last year's presidential election, tax increases in Germany should, by rights, be placed at the top of the policy agenda. But tensions caused by the divergence of economic conditions within the EC, combined with inevitable wrangling over monetary and political union at next week's inter-governmental conferences, means that the community risks becoming self-obsessed.

Last week's events in Brussels confirm the strength of German interest in the EC, with its large internal market, cannot afford to allow the minority agricultural interest to stand in the way of a set of liberalisation measures which will be of mutual benefit to the Community and the outside world.

In the history not just of commerce, but of all areas of international co-operation, there has almost certainly never been a negotiation as complicated as the Uruguay Round, which broke up in disarray in Brussels yesterday.

The sheer weight of the agenda, which ranges from banking and insurance to textiles, patents, farming and semiconductors, and the number of countries involved - 107 - meant the risk of upset was always great.

Now European intransigence over farm reform has brought the four-year effort to rewrite the rules of the trading system to the brink of failure.

Behind the scenes, efforts to revive the Round will continue, however, because there is almost universal agreement that success would bring enormous economic benefits. Growth and employment would rise. Mrs Carla Hills, US trade representative, put it graphically before this week's meeting when she said success would be like writing a cheque for \$17,000 payable over 10 years for every family of four in the world.

So why was this week's meeting unable to seize an almost heaven-sent opportunity to complete for the looming global economic slowdown? In the mind of many participants the answer was clear: the European Community was not prepared to sacrifice the interests of its 10m farmers, even though they account for just 3 per cent of its economic output.

Throughout the week-long session, the EC refused to improve on its offer to cut farm subsidies by just 30 per cent over 10 years. More important, it was never willing to make anything more than vague and conditional commitments to cut export subsidies and open its market to imports as demanded by the US and other farm-exporting nations.

As a result the chances of completing the whole four-year Uruguay Round by the March 1 deadline set by the US Congress now look slim.

Marginal progress was made in Brussels this week - for example on rules to bring international competition into the \$1,700bn annual market in government purchasing. But the technical and legal work needed to complete the overall agreement is now way behind, and wide policy differences remain in vital areas.

It is a basic tenet of trade negotiations that progress can only be made by a process of mutual sacrifice across a broad front. Thus, had the EC been able to overcome resistance from its farmers, it would have won agreements from developing countries in other areas, such as banking and government purchasing. But the EC lurched from flamboyant aggression in its rhetoric to carefully orchestrated defensiveness in substance.

Mr Louis Mermaz, the hardline French farm minister, declared that it was "impossible to have a polite conversation with the Americans". Mr Ray MacSharry, EC farm commissioner, consistently argued that agriculture was being singled out unfairly when there were other deadlocked issues as well as trade in services and textiles.

The US and the powerful Cairns Group of 14 farm-exporting nations retorted that European intransigence on agriculture was blocking progress in these, and every other area of the talks. In spite of a valiant effort by the EC to portray itself as a willing negotiating partner, its attitude provoked deep bitterness.

Mr Neil Blewett, Australian trade minister, described the minimal concessions it was offering on farming as "a farce". Argentina and Brazil were ready to suspend the talks as early as Wednesday. Mrs Hills received a standing ovation in the small hours of Friday morning when she told her private sector advisers that the EC was not prepared to fall for the desirous farm reforms which the Community was prepared to discuss.

All these countries now have to cope, however, with the reality that the future of the world trading system

The Uruguay Round of the Gatt talks has broken up in acrimony. Peter Montagnon and William Dullforce assess what went wrong

An EC pitchfork in the works



has become fragile. The Bush administration, in particular, is likely to come under heavy pressure to take action against countries which place obstacles in the way of its exports.

Already pending are complaints against Europe for its restrictions on US meat imports, soybeans and grain. Japan's obstinate resistance to farm reform may also prompt a speedy demand for sanctions by the US Rice Millers Association.

US trade officials were yesterday trying to keep the atmosphere calm, deflecting calls for punitive action by saying simply that they would consider complaints individually and on their merits. The Bush administration has a clear interest in not allowing trans-Atlantic relations to deteriorate while there is still some chance of salvaging the Uruguay Round and while the Gulf crisis continues.

According to Mr Michael Aho, a trade policy expert with the New York-based Council on Foreign Relations, the US will try to restrict trade disputes to the farm sector. Pressure for action to extend into other sectors, such as European Airbus subsidies, may, however, become irresistible.

One of the abiding mysteries of this week's talks was why the EC was so obstinate. Internationally, it has done great damage to the credibility of its claim to be in favour of free trade and to let its single market become a fortress.

Mr MacSharry said the failure of this week's meeting stemmed from the unrealistic expectations on farm reform created by the US. EC officials accused the US on several occasions

of wanting to engineer a collapse of the talks because the Bush administration knew that it could not push a successful result through a protectionist Congress.

In fact the problems ran deeper. European trade and farm ministers were kept away from the actual negotiations by the Community's internal rules which call for the Commission to speak on behalf of the entire Community. The Commission is obliged to report to member states regularly during the proceedings. This week, in spite of the presence of EC trade and farm ministers, the line of communication was occasionally faulty.

At one stage, on Tuesday, European ministers were incensed to be told by

The EC has done great damage in the talks this week to the credibility of its claim to be in favour of free trade

the Commission that the US had issued an ultimatum on agriculture. This was simply untrue. Despite round denials by the US, the damage was done and the European position had visibly hardened. Perplexed non-EC delegates began to suspect that the Commission was manipulating the ministers to suit its own ends.

Given the evident antipathy between Mr MacSharry and Mr Frans Andriessen, the EC trade commissioner in overall charge of the EC

team, a simpler explanation may well be that the Commission itself was in internal disarray. One of Mr Andriessen's team privately described Mr MacSharry's farm directorate as working "like a gale".

Above all, it was clear that European heads of state, in particular Chancellor Helmut Kohl and President François Mitterrand, were simply not prepared to take the responsibility for moving the process forward.

The truth is that the Uruguay Round has never been high on the political agenda of many EC governments. Monetary union, the single market and eastern Europe have all dwarfed it. For most European politicians the Round is associated with deeply unwelcome protests by farmers who demonstrated in their thousands in Brussels on Monday.

For the US, however, trade policy is a different matter. Throughout the 1980s, worries about the trade deficit and the growing economic domination of Japan have made it a high political priority. The mood of both the private sector and the Congress is tough. Both see foreign markets as closed to US exporters while foreigners take the US for a ride, abusing the openness of its economy to offload billions of dollars-worth of dumped and subsidised products.

This is admittedly unfair. The US trade deficit owes much more to its chronic domestic policies, including its chronic budget deficit, than any flouting of the rules by foreigners. But the belief has led to demands for a Uruguay Round agreement that prizes open foreign opportunities, pre-

serves the US right to react against unfair trade through its anti-dumping and subsidy laws and retains protection for industries such as textiles.

Mr MacSharry was thus correct when he said the US delegation was in a quandary. It was difficult to conceive of an agreement that would secure all these objectives at once. But what the EC underestimated was the political will of Mrs Hills to try for a maximum solution that would help lay to rest the protectionist pressures on the Bush administration.

Already this year she has persuaded President Bush to help the Round by facing down the protectionist textile lobby and vetoing legislation designed to put fresh curbs on imports of textiles and clothing. This week the US softened its reservations about subscribing to an unconditional agreement to liberalise trade in services despite strong private sector worries that this would deprive it of leverage in opening foreign markets.

Given a little more time, it is possible that the EC, too, might have been persuaded to flesh out commitments to cut its support to farmers. Mr Peter Lilley, UK trade and industry secretary, was among European ministers who argued yesterday that the talks should not be adjourned.

By then, however, it was too late and the secretariat of the General Agreement on Tariffs and Trade was circulating a proposal for adjournment. The Europeans failed to realise that the secretariat was powerless to do anything else. Too many countries, including not only the US, Australia, New Zealand, Brazil and Argentina, had simply had enough. They were not prepared to hang around.

One of the biggest mistakes made by the EC has been to suppose that the whole argument was just a trans-Atlantic one. The robust performance of a number of developing countries here, especially that of the Latin Americans on agriculture, shows that the third world can no longer be fobbed off. Gatt talks ultimately depend on unanimity and the Uruguay Round shows that developing countries have acquired the power to make or break trade negotiations.

Prompted by the World Bank and International Monetary Fund they are increasingly prepared to open their markets to exporters from the wealthy industrial world. But they continue to insist on protection against third world competition.

In the long-term interests of trade liberalisation this is a good thing. In the short term it has made the institutional task of the Gatt immeasurably harder. Adding to the complications of the Uruguay Round agenda is the burden of reaching a unanimous consensus among 107 participants.

The Round can now only be saved if the EC moves quickly to signal a willingness to go much further on farm reform. Mr Arthur Dunkel, director general of the Gatt, is to take soundings on this, but expectations that his mission will succeed were low in the atmosphere of recrimination that prevailed yesterday.

If the Round does fall there will be little chance for sober examination of new approaches to reforming the trade system. Already yesterday morning Mr Bob Hawke, Australia's prime minister, was urging the creation of a regional trading bloc in the Pacific rim. An embryonic bloc uniting the EC with the six countries of the European Free Trade Association, existing already in Europe. A north American bloc uniting the US, Canada and Mexico is also on the cards.

The trading system could quickly splinter into exclusive trading blocs which would hamper trade flows, destroy business expansion opportunities and the jobs they bring, and curb economic growth. Mrs Hills would no longer be able to promise that a \$17,000 cheque was in the mail. Instead, the ordinary people she was talking about could expect a pretty hefty bill.

MAN IN THE NEWS

John Taylor

Latter-day Daniel as avatar of classless society

By Ralph Atkins



Seldom does a politician select a role model from the bible. Mr John Taylor, the first black chosen as parliamentary candidate for a Conservative-held seat, is getting used to being the exception. Inspired by Daniel's exploits in the Old Testament, Mr Taylor - a 38-year-old barrister and born-again Christian - has put his faith to the test this week and entered the lions' den. Normally courteous Cheltenham, with its retired soldiers and Regency architecture, has not known whether to toast him, or eat him alive.

Mrs Monica Drinkwater, constituency chairman, insists he is an "outstanding candidate". But others - who deny being racists - have called for a rerun with a wider choice. Mr Bill Galbraith, local party activist says he is a "bloody nigger" from Birmingham who has been "fished" on the Conservative ticket. The satraps, his accusers and supporters are waiting to see if he can survive.

There is more than one man's career at stake. Conservative Central Office fear of him as a standard bearer of Mr John Taylor's classless society. He offers a rare chance for the Tory party to embrace a black in its parliamentary team.

Mr Taylor's ambition is driven in large part by Christian faith. He remained supremely calm this week in the face of much provocation, describing Mr Galbraith's outrage only as "sad". God's will, he believes, is that he will become an MP. "I know I won't be eaten. I'm certain I will come out. I have every confidence in that," he maintains.

What Mr Taylor has yet to prove is whether he has the cunning and wisdom required of modern politicians wanting to climb the greasy pole. Mr Norman Tebbit, former party chairman, betrayed the anxious hopes pinned on Mr Taylor by the Tory hierarchy, tipping him as a future cabinet minister. Mr Taylor is bright and articulate - but he is untested as a politician and has yet to show he is a character of biblical proportions.

Born in Birmingham, Mr Taylor is the son of a professional cricketer and a nurse - both originally from Jamaica. His father played for Warwickshire and the West Indies. Unlike John Taylor - who had no trouble winning the Conservative nomination in his fiercely middle-class Huntingdon constituency - his family background was comfortable rather than deprived. At Mosley Grammar school, Birmingham, he was head boy with broad interests in sports and academia. Under pressure from his father, he applied to study medicine at Oxford. He was disappointed at falling Oxbridge but not at falling medicine. Like Daniel, he aspired to a career as a lawyer. He studied in the 1970s at Keele University where he got a third-class degree in English literature and law before studying at the Inns of Court School of Law in London. His later training was in the same chambers as John Mortimer, author

of the Rumpole books, whom he suspects may have used him as the basis for an episode about a black student barrister. Mr Taylor was called to the bar in 1978, joining the same chamber in Birmingham as Mr Kenneth Clarke, education secretary. He is married to a doctor and has one daughter. He is a keen footballer and cricketer. While Daniel of the Old Testament was a politician and royal adviser, Mr Taylor, more modestly, worked for nine months as an adviser to ministers at the Home Office. Raw political experience so far centres on his four years as a councillor in Solihull, the prosperous Birmingham neighbourhood. His impact has been small, with not even a council committee chairmanship to his credit. He stood as Conservative candidate in the safe Labour seat of Birmingham Perry Barr in the 1987 election. Colleagues in Solihull have been taken aback by the prog-

ress of a councillor who had to be persuaded to stand for election and wanted to concentrate on his professional career and family. "He is good but not that good," one said. "He was a non-person on the council," says another. Those who worked with him in Westminster and Birmingham typically describe him as an "ordinary straight-forward guy whose skin happens to be black." Mr Taylor says his reticence in Solihull was deliberate. "There are too many loud-mouths and empty heads basically. It is so easy to talk when you don't know what you are talking about. The better thing is to pick your moment." He joined the Conservatives in the early 1980s because of its philosophy based on the family, the work ethos, high educational standards and law and order. He says he is tough on economics, softer on social issues. Labour was too patronising

to blacks, he says. "They put us on the head, tell us that we're black, we can't make it, we're disadvantaged because of the colour of our skin. That's not a positive message."

Mr Taylor, however, insists the image of tea-shops and retired Colonel Blimps is a myth - he inherits a Tory majority of just 4,896 over the Liberal Democrats from the retiring MP, Sir Charles Irving.

In interviews, Mr Taylor can be an effective communicator who thinks carefully about what he is saying. At his home in Kensington, west London, he is relaxed in blue slacks and a grey cardigan, despite a week in the centre of media attention. A slight figure, he is sincere and keen to emphasise his strengths, but sometimes lacks passion. Telling anecdotes is sometimes an effort.

Mr Taylor believes strongly that his colour should not be used deliberately either to attract sympathy or to court publicity. If elected, however, his novelty value in the Commons will put him under enormous pressure from the start of the seat that other newcomers do not suffer.

His politics may lack fire but he is a man of conviction, bearing faith that will steel him in the lions' den. "Daniel didn't lose out when it came to worldly success, but he didn't compromise. He stuck to his guns," he says.

Strong religious commitment dates from childhood visits to the neighbouring church at the insistence of his mother. He became "born again" at university. He prays daily and claims "a whole church" is praying for him in Solihull. The evangelist Billy Graham is his "all-time hero".

Earlier this week he was given a leaving present by colleagues at the Home Office. After a brief speech - described by those there as gracious and modest - he was asked what he could offer the electors of Cheltenham.

In typically self-deprecating manner, he said he would "add a little colour". He may yet surprise the lions.

LIQUIDATION OF HIGH VALUE AIR CARGO AT FREIGHT WAREHOUSE NR L'DN HEATHROW A'PORT

Flw. Air Freight Joining Kuwait Airways, Flt No. KU2175, AWB. No. 229-2521 3075 Transshipment Kuwait 02-08-90 STOPPED AND DETAINED AT KUWAIT AIRPORT as consequence of Iraqi invasion

SHORT NOTICE PUBLIC AUCTION

VALUABLE PERSIAN RUGS

and fine selected handmade rugs and carpets of other traditional Eastern origins, in Silk & Wool, all sizes, incl. many large room sizes to 15' x 10'

comprising large discharged cargo held in transit awaiting consolidation with consignment now restrained/lost in Kuwait prior to onshipment to final destination

Merchandise refused by Consignee under Order Stipulation Part Shipment Not Allowed

Last discharged bales now apporportioned with other items for urgent liquidation by

IMMEDIATE PUBLIC AUCTION

SUNDAY, 9th DECEMBER at 11.00AM Inspection from 10.00am

Remaining bales of discharged shipment now ordered to be sold piece-by-piece where held in transit

AIR FREIGHT WAREHOUSE CK CARGO LTD

Unit 4, Spaceway, off Central Way, North Feltham Trading Estate, Feltham, Nr. Heathrow (Directions: Turn into Fagg's Road at Hutton Cross, direction Feltham, turn left at Central Way, turn left at Chalmers Way)

Terms: Cash, Certified cheques, major Credit Cards

BICKENSTAFF & KNOWLES, Auctioneers, 6 The Arcade, Thurloe St., London SW7. Tel: 071-589 7971.

John Taylor

UK COMPANY NEWS

Hanson complains of bear raid

By Andrew Hill

HANSON, the industrial conglomerate, yesterday claimed investors had attempted a "bear raid" on its shares by drawing attention to a £15bn provision on its balance sheet against health-related claims at Peabody, its US coal-mining subsidiary.

The year-end balance sheet, which showed a £1.94bn increase to £3.44bn in provisions for liabilities, was published with the announcement of record full-year profits on Thursday. But Hanson's shares fell 2 1/2p to 187p in heavy trading yesterday in a late reaction to the large Peabody provision, which was not referred to in the accompanying statement from the company.

"It [the provision] doesn't affect the quality of the business in any way," said Mr Martin Taylor, Hanson's vice chairman. "Somebody thought they could cause a little stir. The fact that the stock price has recovered suggests that the issue is dead."

Bear raids, which have become increasingly common in the nervous UK equity market, involve investors selling shares they do not own in the hope of making a profit if the price falls. It can be illegal, for example, an investor delib-

Reduced tax benefits W'hampton & Dudley

By David Owen

HIGHER INTEREST costs and stagnating margins restricted Wolverhampton & Dudley Breweries to a 4 per cent improvement in pre-tax profits in the year to September 30.

But a reduced tax charge - the result of the release of £2m of deferred tax provisions - enabled earnings to rise by a more acceptable 16 per cent.

The group, more than 50 per cent of whose sales come from mild ale, described turnover growth in the first two months of the new year as "encouraging".

All told, taxable profit moved up to £31.8m (£30.63m) on turnover ahead 8 per cent to £171.4m (£168.2m). Interest payable increased from £3.05m to £4.77m.

Other factors affecting performance above the line were a doubling from £670,000 to £1.31m in income from fixed asset investments and a sharp decrease to £402,000 (£1.23m) in profit on property disposals.

A £585,000 charge incurred in 1989 for employee bonus adjustments was not repeated in the year just ended. Mr David Thompson, managing director, attributed this to a change to accounting for the bonus in the year in which it is earned rather than on a cash paid basis.

The company said that it had decided to make two charges totalling £1.25m to its accounts. These were in respect of anticipated losses in value of some of its smaller pubs and of reviewed pension costs. Part of the pension adjustment was in the light of the Barber v GRC judgement in the European Court of Justice.

It said it was postponing a full property revaluation until September 1991 "when there may be a clearer picture of the supply and demand for licensed property".

The group, which recently put Grosche lager on tap at 550 of its 850 pubs, was planning £32.7m of capital expenditure in the current year. "We are primarily interested in buying greenfield sites," Mr Thompson said.

In the year just ended, the group suffered a net cash outflow of £21.7m.

Earnings were 36p (31p). A final dividend of 5.5p is proposed, making a total of 8.3p (8.2p). Subject to circumstances, the current year's total dividend "should be not less than 10p".

See Lex

A developed eye, a free hand and decisive action

Kevin Brown talks to BTR's group chief from January, the acquisitive Alan Jackson

MR ALAN Jackson, the acquisitive head of the Australian subsidiary of BTR, the industrial conglomerate, who in January will succeed Mr John Cahill as group chief executive, has a couple of surprises in store for those who think his wings are likely to be clipped by recession.

"I think BTR needs a big acquisition, and I think it needs a big one in the UK to restore the base in terms of earnings and dividends and so on," he said, speaking to the FT after this week's announcement of his promotion.

"I think the climate is probably right, although there needs to be a note of caution because the economy is going to be tough. But in many ways that creates opportunities."

Before a man with a reputation for long-term planning and decisive action, Mr Jackson said he had already identified a potential UK target, though most of the detailed analysis has yet to be done.

"I think my success is in identifying businesses for expansion. I would expect to see [BTR] in a more expansionary mode for the next little bit," he said.

"There is no doubt that BTR is in good shape. It has had a lot of money spent internationally for productivity improvements, costs have been well and truly contained, and the balance sheet is good."

"That is a great base for someone like me who will be more outward looking and perhaps will get an opportunity for an acquisition of a reason-

able size fairly quickly."

The emphasis on the UK, from where BTR controls such names as Pretty Polly hosiery, Schlegel automotive seals and BAE baggage handling equipment, may come as a surprise to those who thought Mr Jackson would concentrate his attention on Asia and the Pacific, the region where he ran BTR Nylax, the group's Australian subsidiary, for 13 hectic years.

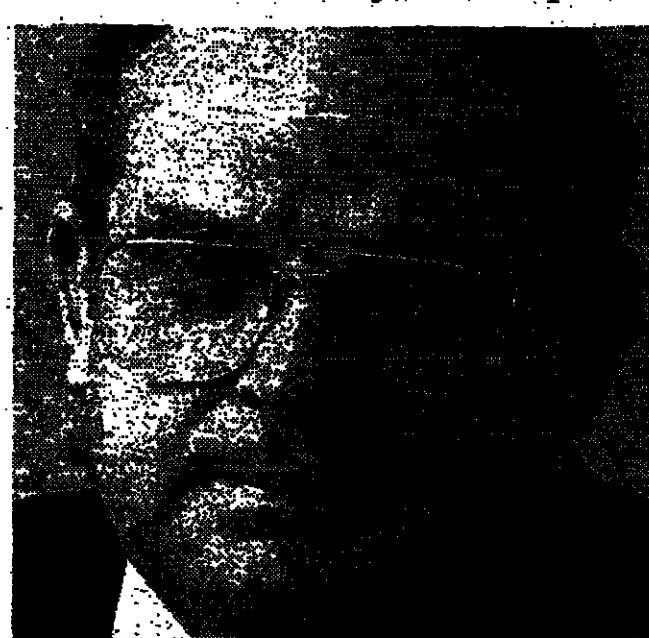
It stems from his commitment to BTR's long-term basic strategy that profits should be split equally between Europe, the US and the rest of the world, principally Australia.

Under his leadership, the group's Australian businesses have expanded to provide about 40 per cent of earnings before interest and tax, putting BTR's strategy temporarily out of kilter.

For that reason, the immediate focus will be on the UK, although he remains convinced that the Asia/Pacific region will continue to grow whatever happens in the rest of the world.

Mr Jackson brings to the UK an impressive record as the manager who transformed BTR Hopkins from a small rubber products group with profits of £227,000 into BTR Nylax, a Melbourne-based multinational conglomerate with profits last year of £565m.

The son of a railway engineer and sometime farmer, he started as a clerk with Kelly & Lewis, a UK-owned pump manufacturer, and ended as managing director after studying accountancy by correspon-



Alan Jackson: from a distance you sometimes see more clearly

dence and completing a summer school course at the Harvard Business School.

He credits Harvard with convincing him he had the skills to make it to the top. "I think that was where I found my confidence."

"Up to that time I had quite an inferiority complex, but there I realised I could match it with the best of them," he explains.

Mr Jackson joined BTR Hopkins as managing director in 1977, and seems to have relished the responsibility which is devolved to regional managers under BTR's decentralised structure.

Growth was relatively modest until 1985, when BTR Hopkins merged with the Nylax plastics group and was renamed BTR Nylax. Since then, a series of acquisitions, including three Taiwanese chemical companies and Borg Warner Australia, have pushed turnover to £452.2bn, making BTR Nylax Australia's 19th biggest company in terms of revenue.

The biggest deal was the £16.6m takeover of ACI International, a building products

Exchange losses limit improvement at Chrysalis

By Maggie Urry

CHRYSLIS GROUP, the records, communications and media group, yesterday announced a return to profits in its year to end August.

It also disclosed a £10m joint venture with Pioneer Electronic Corporation of Japan to build a recording studio complex in a grade II listed Victorian church in Hampstead, north London. The company's shares slipped 4p to 44p.

Group operating profits were £1.78m for the year (loss £12.47m) but pre-tax profits were cut to only £5,000 after exchange losses of £1.78m (profit £349,000) on the dollar cash holdings. This originates from the sale of a half share in the group's record business to Thorn EMI for \$79.1m in July 1989.

Mr Chris Wright, chairman, said profits were also cut by one-off costs of about \$400,000 relating to the relocation of the head office.

Turnover was £107.4m (£97.5m) or 273.4m after taking

out half the sales of the record business.

That business had a successful year and was largely responsible for the recovery to profits. Mr Wright said with sales at record levels, operating profits were "substantial" in the UK and Continental Europe, and losses in the US were "significantly reduced".

However, the jukebox and franchising business had more difficult year, because of the hot summer had encouraged drinkers to stand outside pubs, as brewers tried to squeeze margins, and as jukeboxes were being changed over to compact discs.

Earnings per share were 1.6p (loss 40.2p) and a 2p final dividend will maintain 4p for the year. Net assets per share are 170p and gearing at the year end was 14 per cent. Since the year end the company has spent \$288,000 buying in 1.15m of its own shares for cancellation, an average price of 60p each.

Chloride still unable to make a dividend payment

By Andrew Bolger

CHLORIDE, the battery group, said yesterday it was still unable to resume payment of a dividend when reporting its results for the six months to September 30.

The group, which passed its dividend in June because of a lack of distributable reserves, said it had been advised that it would be imprudent to distribute any of the pension credit of £11.7m included in the balance sheet as a reserve, unless an appropriate court ruling was obtained.

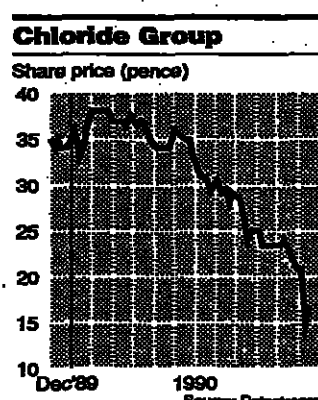
Having further examined alternative approaches, including the prospects of getting a court declaration, the board believed that a capital reorganisation was the best way to enable the payment of dividends to be resumed in the near future, and proposals would be circulated to shareholders.

Turnover in the half-year fell from £140.3m to £108.4m because of the disposal of various businesses. Turnover from the continuing operations was 4 per cent higher than the comparable period. Pre-tax profits fell from £5m to £4.4m, but a lower tax charge helped earnings per share increase from zero to 0.3p.

An exceptional charge of £1.3m mainly related to the transfer of timber to the US from California to Rochester, New York, and the transfer of the UK lighting manufacturing operation from Southampton to Peterborough.

The group said that in spite of difficult trading conditions, operating profit from continuing businesses was 18 per cent higher at £9.3m.

At £3.7m, interest costs were £1.5m lower than last year and



Chloride said this saving largely offset the loss of operating profit previously generated by the disposed operations. Currency movements had reduced the pre-tax profits figure by £1.7m.

Mr Ray Horrocks, chairman, said: "All our major business segments remained profitable although adverse currency movements, difficult trading conditions and the Gulf crisis affected all our businesses and, in particular, resulted in a significant reduction in profits earned by our international battery business, compared with the previous year."

He said the strategic review of each of the group's businesses was nearing completion and would be announced shortly.

It would reflect the priority which the board attached to reducing borrowings and costs in today's increasingly difficult economic climate.

managers over the years, analysts were surprisingly upbeat about these results. The company may at last have been shrunk down to a size that yesterday, up 2p to 17p, the trading outlook for the second half is uncertain and the strategic review might involve further disposals. Forecasts for full-year profits range from £8m to £10m. Even taking the higher figure, the shares, up 2p to 17p yesterday, are on a prospective multiple of 28. Such a fancy figure can only be justified by the presence of Mercurius, the Swedish investment house, which has raised its stake to over 30 per cent. The shares probably high-bid this downside at this level, but the murky outlook for earnings and dividends means that at this stage they will really only attract those wishing to take a punt on a bid emerging.

DIVIDENDS ANNOUNCED									
Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total for year	Dividend yield	Dividend cover	Dividend cover	Dividend cover
Chloride Group	nil	2 Apr 8	0.55	4	0.55	1.2	1.2	1.2	1.2
Chrysalis Group	2	2 Apr 8	2	nil	1.2	1.2	1.2	1.2	1.2
Gaynor	2	2 Apr 8	2	nil	1.2	1.2	1.2	1.2	1.2
James Stroud	2	2 Apr 8	2	nil	1.2	1.2	1.2	1.2	1.2
Joseph (Leopold)	0.28	2 Apr 8	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Leitch	0.28	2 Apr 8	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Sanderson Elect	5.4	2 Apr 8	5.4	3	7.5	7.5	7.5	7.5	7.5
Sanderson Elect	5.4	2 Apr 8	5.4	3	7.5	7.5	7.5	7.5	7.5
Smith New Court	0.5	2 Apr 8	0.5	3	3.5	3.5	3.5	3.5	3.5
Unilever	1.65	2 Apr 8	1.65	1.2	3	3	3	3	3
Unilever	1.65	2 Apr 8	1.65	1.2	3	3	3	3	3
W'hampton & Dudley	5.8	2 Apr 8	5.8	9.3	8.2	8.2	8.2	8.2	8.2

Dividends shown per share net of tax except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. \$USM stock.

LONDON RECENT ISSUES									
EQUITIES									
Issue	Price	Amount	Low	High	Low	High	Low	High	Low
100	100	100	100	100	100	100	100	100	100
2	2	2	2	2	2	2	2	2	2
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

FIXED INTEREST STOCKS									
Issue	Price	Amount	Low	High	Low	High	Low	High	Low
100	100	100	100	100	100	100	100	100	100
2	2	2	2	2	2	2	2	2	2
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

RIGHTS OFFERS									
Issue	Price	Amount	Low	High	Low	High	Low	High	Low
100	100	100	100	100	100	100	100	100	100
2	2	2	2	2	2	2	2	2	2
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

TRADITIONAL OPTIONS									
Issue	Price	Amount	Low	High	Low	High	Low	High	Low
100	100	100	100	100	100	100	100	100	100
2	2	2	2	2	2	2	2	2	2
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

TGI shares fall as chief resigns

By Andrew Bolger

Shares in TGI fell 12p to 78p yesterday after the announcement of the resignation of Mr Tony Bennett as chief executive and as a director of the company.

The company refused to elaborate on the reasons for Mr Bennett's departure, on the grounds that it would be publishing its results for the six months to September 30 on Thursday, September 30.

In June, TGI said pre-tax profits for the year to the end of March had fallen by 82 per cent to £1.7m. It blamed problems in its consumer electronics division, reflecting false alarms over the safety of the group's microwave ovens, now discontinued.

Mr Norman Crocker will combine the roles of chairman and chief executive, pending the appointment of a new chief executive.

Gulf crisis puts Gaynor in red

By Clay Harris, Consumer Industries Editor

SHARES IN Gaynor Group plummeted from 23p to 3p yesterday after the Manchester-based manufacturer of plastic carrier bags and polypropylene film reported a pre-tax loss of £1.54m and said its accounts would be qualified.

The loss for the year to August 31, against profits of £122,000, came on turnover down from £28.2m to £24.4m.

Gaynor said it was continuing to trade unprofitably. The financial statements had been drawn up on a going concern basis and audited by Arthur Andersen on the assumption that banking facilities would

continue to remain available.

Mr Peter Giles, managing director, said Gaynor was operating within the facilities with National Westminster. They are renewable next June and subject to interim review.

The USM-quoted company has been hit by higher raw material costs because of the Gulf crisis and from price pressures reflecting over-capacity.

Earlier in the year, moreover, it lost two leading super-market customers when the chains switched from heavier gauge low density carrier bags to thinner high density products, which the company was

not equipped to manufacture.

After yesterday's plunge in the share price, Gaynor is valued at only £180,000. The Scotts family, which also owns the Swinton Insurance group, is showing a £3.3m loss on the 54 per cent stake it bought at 120p per share in August 1988.

Gaynor reported a loss per share of 20.6p compared with earnings of 1.5p last year and again paid no final dividend.

Interest payments rose to £220,000 (£223,000) and there was a £282,000 exceptional debit, but Gaynor benefited from a tax credit of £459,000 (£465,000 charge).

Watson & Philip moves south with £2.5m buy

By Clay Harris, Consumer Industries Editor

WATSON & PHILIP, food distributor, is taking a large southwards from its base in Scotland and the north of England, with the acquisition of Job's Fast Food Distribution from Unigate for £2.5m cash.

Job's warehouse and cold store at Wraybury, near Heathrow airport, will be W&P's first depot south of Warrington.

"We're a little bit like Bonnie Prince Charlie, but we're going beyond Derby all the same," said Mr Ian Macpherson, chairman and chief execu-

tive of the Dundee-based group.

W&P is the second largest UK food distributor after Booker Fitch, which was taken over through Booker's £290m takeover of Fitch Lovell in September, but its turnover also ranks behind that of the Countrywide consortium of independent operators.

Job's expects turnover of £8m in the year to March 1991. This figure excludes a large contract with a fast-food chain which Unigate hopes to retain at another site.

Smith New Court lacklustre

By Richard Waters

SMITH NEW COURT, the securities house, reported lacklustre interim profits yesterday, reflecting the uncertainty and low volume of business in securities markets since the invasion of Kuwait four months ago.

Pre-tax profits for the six months to November 2, at £4.1m, were compared with the £2m earned in the corresponding period in 1989.

However, the 1989 figure was

depressed by an £8m loss on a large holding in Ferranti International, acquired shortly before the electronics company revealed it was the victim of a suspected massive fraud.

The latest figures do not include an extraordinary loss of £4.1m on Smith's disposal of its one third stake in National Investment Holdings, a loss-making chain of mainly private client stockbrokers.

Sanderson Elect rises 10% to £3.3m

TIGHT COST controls and management discipline have resulted in the eighth consecutive year of profit growth at Sanderson Electronics, the USM-quoted computing services group which has a 49 per cent share in General Automation, the US minicomputer company, writes Alan Caine.

Pre-tax profits for the year ended September 30 rose 10 per cent, from £2m to £2.2m. The performance was particularly meritorious in view of the

tough trading conditions in the worldwide computing services business which had hurt the profits of many other computing services companies.

Sales were up 19 per cent at £14.3m (£12m) and earnings per share rose 8 per cent to 24.8p (23p).

The group has decided not to recommend a final dividend to back up the interim of 8p paid in July, but will instead pay a first interim of 5.4p for 1990-91 on February 11, the date on

which a final would have been paid.

Mr Paul Thompson, chairman, said that the company had decided to pay a dividend rather than an interim and final because of the low level of net assets in the balance sheet.

A share alternative to the first interim dividend may be made and the company expected that the second dividend would be paid in July next year.

Jolliffe leaves Brent Walker

By Richard Waters

SIR ANTHONY Jolliffe has resigned as a non-executive director of Brent Walker, the pubs, betting shops and leisure group which has recently agreed a refinancing package with its bankers.

Sir Anthony, an accountant who was Lord Mayor of London in 1982-83, only joined the Brent Walker board in April this year. He joined after Sir Kenneth Cork, formerly a partner with Sir Anthony in an accounting firm, resigned because of possible conflicts of interest.

His resignation was announced in a low-key statement which also said that the Brent Walker board "expects to be able to announce shortly the appointment of additional non-executive directors

together with a new financial director".

Brent Walker's shares fell 3p to 75p yesterday while its new convertible bonds were quoted at 83p, up 6p.

AJ Archer

AJ Archer Holdings, the Lloyd's underwriting agent, announced an 10.8 per cent reduction, from £6.34m to £5.66m, in pre-tax profits for the year to September 30.

Archer was one managing agency which looked after the affairs of 11 Lloyd's syndicates in the marine, non-marine and aviation sectors.

The reduction in profit is largely attributable to lower profit commission for the 1987 underwriting account (figures for the 1987 year were published earlier this year in line with the three year accounting system employed by Lloyd's). Premium income fell in 1987 as a result of sharp rate competition between players at Lloyd's.

The company pointed out that underwriting conditions for the 1988, 1989 and 1990 accounts had deteriorated further and would have an adverse effect on the 1990-91, 1991-92 and 1992-93 results.

Earnings from agency fees increased last year as a result of the steady increase in the Archer syndicates capacity, from £280m in 1989 to £305m in 1990. A further increase to £330m is projected for 1991.

Earnings per share fell from 17.1p to 16.5p, but the final dividend is 5.25p for a total of 8.4p (8p).

CLF Yeoman

CLF Yeoman, the Dublin-based asset finance company, is to sell CLF Holdings, its troubled UK small ticket leasing subsidiary, after group interim pre-tax profits divided by more than 59 per cent.

A £500,000 trading loss from CLF Holdings, together with the £3.2m cost of servicing the debt incurred in buying CLF in

December 1988, led to an overall reduction in taxable profits from £12.06m to £2.27m (£2.01m), in the six months to August 31 1990.

In view of the restructuring, there is no interim dividend (2.5p last time). A decision on the final will be made in the light of prevailing circumstances.

Gross income for the period came to £178.36m (£159.08m). Earnings per share came to 5.6p, against 14.5p before goodwill amortisation or 11.4p after.

Greycoat

Greycoat, the property investment and development company, lifted pre-tax profits 53 per cent from £6.71m to £10.23m for the six months to September 30.

The group cautioned, however, that it did not expect this growth to continue in the second half. After stripping out £2.62m of losses in the first half of 1989 from the sale of properties, the year-on-year rise



FT-ACTUARIES SHARE INDICES

The Financial Times Ltd 1990. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS									
Friday December 7 1990									
Highs and Lows Index									
Index No.	Day's Change	Est. Value	Gross Div. Yield	Est. Yield	Est. Yield	Est. Yield	Est. Yield	Est. Yield	Est. Yield
Figures in parentheses show number of stocks per section									
1 CAPITAL GOODS (196)	730.15	+0.4	14.56	6.54	8.38	34.18	727.03	716.04	719.15
2 BUILDING MATERIALS (26)	987.25	+0.2	14.60	6.19	8.43	41.09	987.27	977.08	987.31
3 CHEMICALS (10)	1145.24	+0.7	16.36	7.02	7.94	59.48	1145.27	1145.13	1145.27
4 ELECTRONICS (26)	1539.89	+0.3	14.88	6.94	8.45	99.22	1539.89	1539.89	1539.89
5 ENGINEERING-GENERAL (48)	410.60	+0.3	16.33	5.94	7.34	17.27	410.61	410.61	410.61
6 ENGINEERING-GENERAL (48)	373.22	+0.5	15.53	6.87	7.78	18.02	373.22	373.22	373.22
7 FOOD & DRINK (10)	411.53	+0.1	22.08	8.34	3.59	24.83	411.53	411.53	411.53
8 METALS (13)	300.88	+0.2	16.60	7.99	7.02	17.45	300.88	300.88	300.88
9 OTHER INDUSTRIAL MATERIALS (29)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
10 CONSUMER GROUP (27)	1238.49	+0.2	9.94	4.19	12.50	35.49	1238.49	1238.49	1238.49
11 BREWERS & DISTILLERS (22)	1590.14	+1.1	10.16	3.88	12.12	33.68	1590.14	1590.14	1590.14
12 FOOD MANUFACTURING (19)	1020.09	+0.4	9.76	4.81	10.88	33.68	1020.09	1020.09	1020.09
13 FOOD RETAILING (16)	2305.62	+0.4	9.76	4.81	10.88	33.68	2305.62	2305.62	2305.62
14 HEALTH & HOUSEHOLD (18)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
15 LEISURE (32)	1245.15	+0.2	12.25	5.34	9.92	44.14	1245.15	1245.15	1245.15
16 PACKAGING & PAPER (12)	530.47	+0.4	12.34	6.56	10.12	23.79	530.47	530.47	530.47
17 PETROLEUM & MINING (13)	2996.40	+0.3	12.99	6.33	10.45	39.89	2996.40	2996.40	2996.40
18 STORES (24)	827.98	+1.0	10.32	4.41	12.59	25.63	827.98	827.98	827.98
19 TEXTILES (12)	439.77	+0.5	10.32	6.08	6.32	47.17	439.77	439.77	439.77
20 OTHER GROUPS (105)	1023.05	+0.2	12.39	5.66	9.84	33.65	1023.05	1023.05	1023.05
21 METALS (13)	300.88	+0.2	16.60	7.99	7.02	17.45	300.88	300.88	300.88
22 CHEMICALS (10)	1145.24	+0.7	16.36	7.02	7.94	59.48	1145.24	1145.24	1145.24
23 CONSUMER GROUP (27)	1238.49	+0.2	9.94	4.19	12.50	35.49	1238.49	1238.49	1238.49
24 TRANSPORT (15)	1245.15	+0.2	12.25	5.34	9.92	44.14	1245.15	1245.15	1245.15
25 TELECOMS & NETWORKS (11)	1245.15	+0.2	12.25	5.34	9.92	44.14	1245.15	1245.15	1245.15
26 WATER (10)	1245.15	+0.2	12.25	5.34	9.92	44.14	1245.15	1245.15	1245.15
27 MISCELLANEOUS (26)	1245.15	+0.2	12.25	5.34	9.92	44.14	1245.15	1245.15	1245.15
28 INDUSTRIAL GROUP (17)	1048.63	+0.2	11.49	5.16	10.30	35.40	1048.63	1048.63	1048.63
29 OIL & GAS (21)	2309.46	+0.4	9.69	5.51	13.48	39.79	2309.46	2309.46	2309.46
30 FT-100 SHARE INDEX (301)	1152.52	+0.2	11.38	5.21	10.86	40.42	1152.52	1152.52	1152.52
31 FINANCIAL GROUP (102)	741.22	+0.9	6.46	3.42	7.21	34.02	741.22	741.22	741.22
32 BANKS (7)	796.35	+0.2	8.03	7.21	6.47	42.02	796.35	796.35	796.35
33 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
34 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
35 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
36 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
37 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
38 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
39 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
40 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
41 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
42 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
43 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
44 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
45 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
46 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
47 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
48 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
49 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
50 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
51 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
52 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
53 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
54 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
55 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
56 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
57 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
58 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
59 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
60 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
61 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
62 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
63 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
64 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
65 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
66 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
67 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
68 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
69 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
70 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
71 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
72 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
73 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
74 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
75 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
76 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
77 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
78 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
79 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
80 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
81 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
82 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
83 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
84 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
85 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
86 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
87 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
88 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
89 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
90 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
91 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
92 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
93 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
94 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
95 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
96 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
97 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
98 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
99 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76
100 INSURANCE (11)	1267.76	+0.6	13.29	6.45	8.70	62.04	1267.76	1267.76	1267.76

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar down as Fed eases

THE DOLLAR finished European trading on a weak note yesterday after a sharp fall in November US non-farm payrolls was followed by evidence that the Federal Reserve had cut its target rate for federal funds on the New York money market.

November job losses of 267,000 were well above the expected level and were accompanied by a sharp revision in the October figure to a fall of 178,000 from 68,000. The Bureau of Labour Statistics said the figures were the worst since the 1982 recession, leading to a fall of the dollar as the market waited for a signal from the Federal Reserve on monetary policy.

Analysts said that the technical position in New York called for a draining of liquidity and therefore the Fed's action of adding \$1.5bn via customer repurchase agreements was regarded as a sign that the Fed had eased. Federal funds

were trading at 7 1/4 per cent at the time and this is now assumed to be the target level. The previous target was believed to be 7 1/2 per cent and after the action Fed funds fell to 7 1/4 per cent.

The dollar touched technical support levels of DM1.6770 and ¥130.75, but rallied slightly towards the European close. The approaching week-end discouraged traders from running positions against the dollar, for fear of any hostile developments in the Gulf despite Iraq's offer to free foreign hostages.

At the London close the US currency had fallen to DM1.4795 from DM1.4895; to ¥131.10 from ¥132.50; to SFR1.2625 from SFR1.2725; and to FFs.5525 from FFs.5585. The dollar's index fell to 80.5 from 80.9.

Starting rose 1.20 cents to \$1.6515, but lost a little ground when the rate rose to \$1.6500, kept the dollar firm towards the top of the European Monetary Sys-

tem. The pound suffered a short period of nervousness on a rumour, dismissed as "totally unfounded" by the UK Treasury, that sterling was about to join the 2 1/2 per cent band of movement in the ERM.

Sterling fell to DM2.8875 from DM2.8900; to SFR2.7975 from SFR2.8000; to FFs.2465 from FFs.2475; and to ¥255.50 from ¥256.50. The pound's index fell to 83.5.

Sterling remained the weakest member of the ERM. The French franc was also weak, falling to a 10-month low against the D-Mark. It was not clear whether the Bank of France intervened, but the Bank of Italy sold DM100m and 825m when the lira lost further ground to the D-Mark at the Milan bourse.

A rise in official Dutch rates, as the central bank increased the rate on special advances to 8.50 from 8.00 per cent, kept the guilder firm towards the top of the ERM.

£ IN NEW YORK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

STERLING INDEX

Dec 7	Low	High	Previous Close
80.5	80.5	80.5	80.5
80.5	80.5	80.5	80.5
80.5	80.5	80.5	80.5

CURRENCY RATES

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

CURRENCY MOVEMENTS

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

OTHER CURRENCIES

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

FORWARD RATES AGAINST STERLING

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG-TERM FUTURES

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE US TREASURY BOND FUTURES

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE BOND FUTURES

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LONDON (LIFFE)

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

CHICAGO

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

CHICAGO

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

Dec 7	Low	High	Previous Close
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000
1.0000	1.0000	1.0000	1.0000

LIFFE EUROSTOCK

-828 7233		AFBD MED	
E 100		WALL STREET	
5/2215 +15		Dec. 2592/2604 -	
1/2251 +19		Mar. 2614/2626 -	
a. Change from previous 9pm cl			
DID YOU JUDGE THE MARK			

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tailsman system. They are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 53(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

† Bargains at special prices. ‡ Bargains done the previous day.

British Funds, etc

No. of bargains included 2512

Treasury 10% Stk 2003 A - 239%

Exchequer 10% Stk 2003 A - 239%

Guaranteed Asset Finance Corp PLC

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

12% Stk 2003 A - 210%

Corporation and County

No. of bargains included 6

Greater London Council 1990

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

10% Stk 2003 A - 210%

Brisk trade despite mixed influences

ment. This renewed fears that the US economy is moving into recession and that interest rates will be cut to cushion the blow.

Half a million people have lost their jobs in two months, said Mr Mark Brett at BZW. "It is far worse than the UK." Within minutes of the release of the statistics, St Louis Bank, noted for its skill in anticipating interest rate trends, announced a prime rate by ¼ to 9% per cent.

Gifts had a mixed day at the end of an extraordinarily good week. Recent strong performers among platinum and longer maturity issues were hit by early trading in spite of the strength of the equity market and hopes of a cut in interest rates. But they recovered their losses in the afternoon and ended with small gains.

162p. Hawker Siddleley rose of 10 to 439p as recessionary pressures made its defensive qualities look attractive. The company has a strong order book in long-cycle products, explained Mr Umbers. Furthermore, Hawker Siddleley has undervalued assets, which has raised fresh speculation about a possible bid.

Oil shares had a mixed session with the market uncertain whether yesterday's modest recovery in crude oil prices could be sustained. The explanation was that production specialists were earlier reflecting the

oil price's net loss over the week. Ultramar lost 7 to 32½p and Enterprise fell 3 to 61p. On the other hand, Shell closed 1½p higher at 331½p, a penny at 331p. British Gas up 4 at 237½p, and Calor, 4 better at 241p, benefited from the colder weather in the UK.

The twoivers of the day were Biffaward and B&F rose 1½p to 1047p in the wake of reassuring results this week from Bass and Grand Metropolitain, which confirmed the sector's defensive qualities. Bass put up 1½p to 1047p and GrandMet 5 to 63p.

First Leisure, the tempin bowling, discs and entertainments company, gained 7 to close at 155p, compared with 148p a week earlier. The rise in issue price of 182p. The shares have been recovering after a period of pressure and there is little stock around.

LEADERS AN	
Percentage changes since Thursday Dec	
Water	+ 10.17
Stores	+ 2.72
Browsers and Dialects	+ 1.13
Food Retailing	0.79
Packaging and Paper	0.79
Health & Household Products	0.69
C & S	0.68
Telephone Networks	0.68
Consumer Group	0.55
Insurance (Lth)	0.55
500 Share Index	12.25
Banks	12.25
Rubber Manufacturing	12.25
All-Share Index	13.05
Industrial Group	13.05
Building Materials	13.05
Chemicals	13.60
Metals and Metal Forming	14.80
Insurance Brokers	14.08
Other Groups	15.04
Financial Group	15.29

Chief of

Gold falls as Gulf war fears fade

future contract as the March delivery price climbed to \$208 a tonne at 2600 a tonne, but the price of the trimmed back yesterday to \$205 a tonne, up £19 on the week, but dealers described that as a "consolidation" rather than a downturn.

At a meeting of the International Coffee Organisation's executive board this week, Colombia is reported to have raised unexpectedly the question of reviving the ICO's market support function, which was abandoned nearly 18 months ago. But Brazil, the dominant producer, is reportedly in a position that it is some way from being ready to negotiate on the reintroduction of the ICO export quota system or any other price stabilisation mechanism.

News of Soviet plans for substantial food imports helped to

maintain the recent upturn on the Baltic International Freight Futures Market until mid-week. But while the Baltic Freight Futures Index, the settlement basis for futures contracts, extended its run of rises to 18 days, gaining 103 points at a seven-month high of 1,451, profit-taking was beginning to eat into gains in nearby futures contracts.

	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Year Ago	High 1990	Low	Since Completion	
							High		High Low	
Government Seas	83.29	83.04	82.68	82.58	82.58	88.14	84.20 (2/71)	74.13 (3/43)	127.54 (1/27)	49.18 (31/73)
Fixed Interest	90.64	80.55	93.67	90.13	90.13	92.02	82.90 (5/71)	61.34 (3/71)	90.53 (25/1147)	50.53 (31/75)
Ordinary Shares	1723.8	1717.9	1689.6	1681.6	1695.3	1682.0	1969.3 (3/71)	1510.4 (5/71)	2006.8 (5/979)	49.4 (26/64)
Gold Mines	180.4	151.0	154.3	152.3	157.6	300.5	378.5 (8/72)	150.4 (1/72)	734.7 (15/233)	43.5 (10/71)
FT-SE 100 Share	2183.4	2177.5	2152.6	2146.3	2162.7	2263.5	2463.7 (7/90)	1780.2 (1/92)	2483.7 (1/93)	986.9 (23/674)
FT-SE European 100	1002.10	1003.35	978.48	967.76	973.55	-	1001.56 (4/92)	947.31 (1/92)	1003.35 (1/92)	949.31 (17/1789)
Ord. Div. Yield	5.61	5.63	5.68	5.82	5.78	5.68	4.58	1.78	10 Div. Seas 19/10/33	10 Div. Ordinary 1/795
Earning Div. Yield	11.71	11.74	11.89	11.97	11.89	11.89	11.16	1.99	10 Div. Seas 12/3/96	10 Div. F15E 100 31/2/92
P/E Ratio(WallSt)	27.32	34.29	30.16	30.16	30.16	10.18	10.18	10.18	21.62	10.18
SEAC Ratings	4.50pm	4.50pm	4.50pm	4.50pm	4.50pm	4.50pm	4.50pm	4.50pm	4.50pm	4.50pm
Equity Turnover	-	23.041	17.929	21.020	20.990	32.37	32.37	32.37	32.37	32.37
Shares Traded (mt)	-	455.0	436.2	414.0	256.0	402.0	402.0	402.0	402.0	402.0
Ordinary Share Index, Hourly changes	Day's High 1726.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7	Day's High 1714.7
Open 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
10 am 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
11 am 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
12 pm 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
1 pm 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
2 pm 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
3 pm 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
4 pm 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
5 pm 1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7	1714.7
FT-SE 100 Share	Day's High 2183.4	Day's High 2177.5	Day's High 2152.6	Day's High 2146.3	Day's High 2162.7	Day's High 2263.5	Day's High 2463.7	Day's High 1780.2	Day's High 2483.7	Day's High 986.9
Open 2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4
10 am 2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4
11 am 2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4
12 pm 2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4
1 pm 2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4
2 pm 2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4	2183.4
3 pm 2183.4	2183.4	2183.4	21							

[illegible]

the then recently acquired Hunter Timber, full year profit would not match last year's £38m.

Waste management stocks made progress on reports that a UK conference had reached positive conclusions. Analysts could offer little information on the subject, but Atwood rose 12 to 42p, Bechem Environmental gained 13 to 52p and Shanks & McEwan advanced 40 to 129p. Talk of a Swiss bid was another reason for firmness in Leigh Interests, up 9 to 31p.

■ Other market statistics, including the FT-Actuaries Share Index and London Traded Options, Page 3.

Percentage changes since December 29 1989 based on Thursday December 6 1990			
Water	+10.17	Insurance (Composite)	18.46
Stores	+2.13	Engineering-Aerospace	17.79
Brewers and Distillers	+1.72	Facilities	17.45
Food Processing	0.19	Transport	17.00
Packaging and Paper	6.19	Conglomerates	18.25
Health & Household Products	6.46	Property	16.82
Oil & Gas	6.88	Capital Goods	20.61
Telephone Networks	6.88	Publishing & Printing	20.15
Consumer Group	7.18	Investment Trusts	21.98
Insurance (Life)	12.25	Capital Goods	21.65
500 Share Index	12.25	Motors	22.26
Banks	12.37	Overseas Traders	22.57
Food Manufacturing	12.67	Engineering-General	22.57
Share Index	13.06	Merchant Banks	23.45
Industrial Group	13.19	Contracting, Construction	23.66
Building Materials	13.65	Leisure	23.66
Chemicals	14.03	Other General Materials	27.55
Metals and Metal Forming	14.03	Electricals	28.48
Insurance Brokers	14.68	Agencies	41.96
Other Groups	15.04	Gold Mines Index	51.00
Financial Group	15.29		

	Coupon	Red date	Price	Change	Yield	Week ago	Month ago
UK GILTS	13.500	09/02	103-22	+0-23/32	11.13	11.19	11.80
	9.000	09/02	101-42	+0-36/32	10.83	10.71	11.29
	9.000	10/08	90-12	+1-10/32	11.17	10.38	10.93
US TREASURY *	8.500	11/02	103-00	+2-25/32	8.05	8.51	8.49
	8.750	02/20	105-28	+4-33/32	7.22	8.48	8.62
JAPAN	No 119	06/98	87-4057	+0-33/32	7.18	7.46	7.62
	No 129	06/98	87-1149	+0-32/32	8.80	8.80	9.02
GERMANY	8.000	10/00	101.2500	+0-25/32	6.80	6.82	9.02
FRANCE	BAT OAT	9.000	11/95	95-3557	+0-18/32	10.10	10.11
	8.000	06/98	97-1149	+0-32/32	8.80	8.80	9.02
CANADA *	10.500	05/01	101.6500	+0-7/32	10.23	10.85	7.82
NETHERLANDS	9.250	11/00	101.3900	+0-43/32	9.03	9.01	9.20
AUSTRALIA	13.000	07/00	105.3237	+0-09/32	10.02	12.23	12.81
BELGIUM	10.000	06/00	100.5500	+0-25/32	8.86	8.75	8.87

London closing. *denotes New York morning session
 Yields: Local market standard Prices: US, UK in 32nds., others in decimal

Chief of market research company

board of ROFFEY PARK
MANAGEMENT COLLEGE,
Horsham.



independent Lloyd's agency, Lord Pym, a former Foreign Secretary, has been appointed chairman, and Mr Charles A.A. Harbord-Hamond becomes managing director. Also joining the board are Mr James Sparrow, Mr Tim Holbech and Mrs Emma Boyds, all former directors of Donner Underwriting Agencies.

Lord Layton (pictured) has been appointed a non-executive director of ROBUST MOULDINGS, Wrexham, Clwyd. He speaks on the environment in the House of Lords, and is a director of The Toxbox Co.

■ **ALAN PAUL** has appointed Mr Clive Henwood as managing director of its manufacturing and retail operation - The Body & Face Place. He was retail operations manager, The Body Shop International.

■ Mr John Weiss, head of the chief executive's division of ECGD, has been promoted to group director, and Mr Robert Wild has been confirmed as a group director. Mr Gerry Breach has retired.



DCI/Research International

■ Mr Peter Rice has been appointed a non-executive director of LLOYD THOMPSON GROUP. He is group corporate finance and planning manager of Commercial Union, and a former partner in Wood Mackenzie & Co.

■ **Mr Gordon Wilkie** has been appointed sales director of **PAXUS**, a supplier of software to the accountancy profession.

■ **RITZ DESIGN GROUP** has appointed **Mr G.R.H. Clemons** as a non-executive director. He was non-executive



(USA), where he will be succeeded by Mr Simon Chadwick, currently vice chairman of RIUK. Mr Jon Wilkinson, formerly chairman of RI Netherlands and currently marketing director at RI headquarters, will succeed Mr Chadwick, retaining his remit for international business development.

■ **WELTON PAKAGING** has appointed Mr Keith Brown as commercial director; Mr Terry Jackson as retail plastics division director; and Mr David Gibbon as consumer plastics division director.

■ **Mr S. Rex Kingsley** has been appointed director and chief executive of the

chairman until he resigned last February because of pressure of other responsibilities which he has now reorganised.

■ **FOREIGN & COLONIAL VENTURES** has appointed Mr William Eccles to the board. He is responsible for investments in the UK and Europe and is a director of a



■ **WATSON & PHILIP** has appointed Mr Ken Knowland (pictured) as managing director

■ **Ms Clara Freeman**, divisional director in charge of childrens' wear at Marks and Spencer, has joined the

**NETHERLANDS-BRITISH
CHAMBER OF COMMERCE.**
He was managing director,
animal nutrition businesses,
Tate & Lyle.

■ Following a change in the ownership of PHILIP N. CHRISTIE & CO, an

of W. & P. Catering Services. He joins from Fitch Lovell where he was chairman and managing director of Fitch & Son, and Pullman Foods.

[illegible][illegible]

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

Continued on next page

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2122.

هكذا منذ المجلد

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

[illegible]

WORLD STOCK MARKETS

US MARKETS (3pm)[illegible][illegible][illegible][illegible][illegible]

	Feb.	+ or -
Aluminum Alloys	2,970	+130
Aluminum Castings	3,370	+200
Aluminum Sheet	2,770	+200
Aluminum Wire	2,270	+200
Aluminum Rod	2,270	+200
Aluminum Pipe	2,270	+200
Aluminum Fittings	2,270	+200
Aluminum Fasteners	2,270	+200
Aluminum Containers	2,270	+200
Aluminum Machinery	2,270	+200
Aluminum Tools	2,270	+200
Aluminum Hardware	2,270	+200
Aluminum Miscellaneous	2,270	+200
Aluminum Total	2,270	+200
Aluminum (A)	2,270	+200
Aluminum (B)	2,270	+200
Aluminum (C)	2,270	+200
Aluminum (D)	2,270	+200
Aluminum (E)	2,270	+200
Aluminum (F)	2,270	+200
Aluminum (G)	2,270	+200
Aluminum (H)	2,270	+200
Aluminum (I)	2,270	+200
Aluminum (J)	2,270	+200
Aluminum (K)	2,270	+200
Aluminum (L)	2,270	+200
Aluminum (M)	2,270	+200
Aluminum (N)	2,270	+200
Aluminum (O)	2,270	+200
Aluminum (P)	2,270	+200
Aluminum (Q)	2,270	+200
Aluminum (R)	2,270	+200
Aluminum (S)	2,270	+200
Aluminum (T)	2,270	+200
Aluminum (U)	2,270	+200
Aluminum (V)	2,270	+200
Aluminum (W)	2,270	+200
Aluminum (X)	2,270	+200
Aluminum (Y)	2,270	+200
Aluminum (Z)	2,270	+200
Aluminum (AA)	2,270	+200
Aluminum (AB)	2,270	+200
Aluminum (AC)	2,270	+200
Aluminum (AD)	2,270	+200
Aluminum (AE)	2,270	+200
Aluminum (AF)	2,270	+200
Aluminum (AG)	2,270	+200
Aluminum (AH)	2,270	+200
Aluminum (AI)	2,270	+200
Aluminum (AJ)	2,270	+200
Aluminum (AK)	2,270	+200
Aluminum (AL)	2,270	+200
Aluminum (AM)	2,270	+200
Aluminum (AN)	2,270	+200
Aluminum (AO)	2,270	+200
Aluminum (AP)	2,270	+200
Aluminum (AQ)	2,270	+200
Aluminum (AR)	2,270	+200
Aluminum (AS)	2,270	+200
Aluminum (AT)	2,270	+200
Aluminum (AU)	2,270	+200
Aluminum (AV)	2,270	+200
Aluminum (AW)	2,270	+200
Aluminum (AX)	2,270	+200
Aluminum (AY)	2,270	+200
Aluminum (AZ)	2,270	+200
Aluminum (BA)	2,270	+200
Aluminum (BB)	2,270	+200
Aluminum (BC)	2,270	+200
Aluminum (BD)	2,270	+200
Aluminum (BE)	2,270	+200
Aluminum (BF)	2,270	+200
Aluminum (BG)	2,270	+200
Aluminum (BH)	2,270	+200
Aluminum (BI)	2,270	+200
Aluminum (BJ)	2,270	+200
Aluminum (BK)	2,270	+200
Aluminum (BL)	2,270	+200
Aluminum (BM)	2,270	+200
Aluminum (BN)	2,270	+200
Aluminum (BO)	2,270	+200
Aluminum (BP)	2,270	+200
Aluminum (BQ)	2,270	+200
Aluminum (BR)	2,270	+200
Aluminum (BS)	2,270	+200
Aluminum (BT)	2,270	+200
Aluminum (BU)	2,270	+200
Aluminum (BV)	2,270	+200
Aluminum (BW)	2,270	+200
Aluminum (BX)	2,270	+200
Aluminum (BY)	2,270	+200
Aluminum (BZ)	2,270	+200
Aluminum (CA)	2,270	+200
Aluminum (CB)	2,270	+200
Aluminum (CC)	2,270	+200
Aluminum (CD)	2,270	+200
Aluminum (CE)	2,270	+200
Aluminum (CF)	2,270	+200
Aluminum (CG)	2,270	+200
Aluminum (CH)	2,270	+200
Aluminum (CI)	2,270	+200
Aluminum (CJ)	2,270	+200
Aluminum (CK)	2,270	+200
Aluminum (CL)	2,270	+200
Aluminum (CM)	2,270	+200
Aluminum (CN)	2,270	+200
Aluminum (CO)	2,270	+200
Aluminum (CP)	2,270	+200
Aluminum (CQ)	2,270	+200
Aluminum (CR)	2,270	+200
Aluminum (CS)	2,270	+200
Aluminum (CT)	2,270	+200
Aluminum (CU)	2,270	+200
Aluminum (CV)	2,270	+200
Aluminum (CW)	2,270	+200
Aluminum (CX)	2,270	+200
Aluminum (CY)	2,270	+200
Aluminum (CZ)	2,270	+200
Aluminum (DA)	2,270	+200
Aluminum (DB)	2,270	+200
Aluminum (DC)	2,270	+200
Aluminum (DD)	2,270	+200
Aluminum (DE)	2,270	+200
Aluminum (DF)	2,270	+200
Aluminum (DG)	2,270	+200
Aluminum (DH)	2,270	+200
Aluminum (DI)	2,270	+200

[illegible][illegible][illegible]

	Number 7	Yrs.	+ or -
Algeria	156	156	0
Angola	156	156	0
Argentina	156	156	0
Australia	156	156	0
Austria	156	156	0
Belgium	156	156	0
Brazil	156	156	0
Canada	156	156	0
Chile	156	156	0
Colombia	156	156	0
Czechoslovakia	156	156	0
Denmark	156	156	0
Egypt	156	156	0
France	156	156	0
Germany	156	156	0
Greece	156	156	0
India	156	156	0
Indonesia	156	156	0
Italy	156	156	0
Japan	156	156	0
Korea	156	156	0
Malaysia	156	156	0
Mexico	156	156	0
Netherlands	156	156	0
Norway	156	156	0
Philippines	156	156	0
Poland	156	156	0
Portugal	156	156	0
Romania	156	156	0
Saudi Arabia	156	156	0
Spain	156	156	0
Sweden	156	156	0
Switzerland	156	156	0
Taiwan	156	156	0
Thailand	156	156	0
Turkey	156	156	0
U.S.A.	156	156	0
U.K.	156	156	0
USSR	156	156	0
Vietnam	156	156	0
Yugoslavia	156	156	0
Zambia	156	156	0
Zimbabwe	156	156	0
Other	156	156	0
Total	156	156	0

	Number 7	Yrs.	+ or -
Algeria	156	156	0
Angola	156	156	0
Argentina	156	156	0
Australia	156	156	0
Austria	156	156	0
Belgium	156	156	0
Brazil	156	156	0
Canada	156	156	0
Chile	156	156	0
Colombia	156	156	0
Czechoslovakia	156	156	0
Denmark	156	156	0
Egypt	156	156	0
France	156	156	0
Germany	156	156	0
Greece	156	156	0
India	156	156	0
Indonesia	156	156	0
Italy	156	156	0
Japan	156	156	0
Korea	156	156	0
Malaysia	156	156	0
Mexico	156	156	0
Netherlands	156	156	0
Norway	156	156	0
Philippines	156	156	0
Poland	156	156	0
Portugal	156	156	0
Romania	156	156	0
Saudi Arabia	156	156	0
Spain	156	156	0
Sweden	156	156	0
Switzerland	156	156	0
Taiwan	156	156	0
Thailand	156	156	0
Turkey	156	156	0
U.S.A.	156	156	0
U.K.	156	156	0
USSR	156	156	0
Vietnam	156	156	0
Yugoslavia	156	156	0
Zambia	156	156	0
Zimbabwe	156	156	0
Other	156	156	0
Total	156	156	0

	Number 7	Yrs.	+ or -
Algeria	156	156	0
Angola	156	156	0
Argentina	156	156	0
Australia	156	156	0
Austria	156	156	0
Belgium	156	156	0
Brazil	156	156	0
Canada	156	156	0
Chile	156	156	0
Colombia	156	156	0
Czechoslovakia	156	156	0
Denmark	156	156	0
Egypt	156	156	0
France	156	156	0
Germany	156	156	0
Greece	156	156	0
India	156	156	0
Indonesia	156	156	0
Italy	156	156	0
Japan	156	156	0
Korea	156	156	0
Malaysia	156	156	0
Mexico	156	156	0
Netherlands	156	156	0
Norway	156	156	0
Philippines	156	156	0
Poland	156	156	

courses

Japanese

Ikkei to

NEW YORK		DOW JONES	
	6	Dec. 5	Dec. 5
Materials	26,02	26,10.40	
Energy Bonds	90.87	90.87	
Transport	913.79	903.67	
Utilities	211.27	212.71	
STANDARD AND POOR			
Composite #	329.07	329.92	
Industrials	384.86	385.33	
Municipal	23.09	24.27	
NYSE Composite	171.91	180.11	
NYSE Mkt. Value	306.35	305.41	
NASDAQ Composite	372.29	370.87	
New Industrial Div. Yield		Now	Dec. 5
		4.00	4.00

3. P Indl. P/E ratio	15.8
----------------------	------

Thursday	Stocks traded	Closing price
IBM Corp.	3,985,600	14 1/2
AT&T	3,857,400	92 1/2
East Chicago	3,728,700	21
US R Us	3,643,500	22 1/2
W.T.	3,619,100	30 1/2
IBM	3,389,800	111 1/2
IBM	3,296,500	16 1/2
IBM	3,140,800	50 1/2

Electric	2,855,700	57½
----------	-----------	-----

CANADA		
TORONTO	Dec. 5	Dec. 5
Metals & Minerals	2774.13	2739.50
Composite	3239.37	3222.50

INDICES

[illegible]

	Dec. 7	Dec. 8	Dec. 5	Dec. 4
100	355.6	332.0	332.0	337.0
101	321.9	319.3	321.9	318.3
102	467.3	467.3	461.02	457.64
103	5064.91	5064.91	5064.03	5060.03
104	323.61	323.61	322.27	320.34
105	414.8	414.8	414.8	415.6
106	71.81	74.75	74.44	73.00
107	1462.75	1462.75	1464.04	1464.53
108	647.47	647.08	647.33	625.96
109	1832.0	1832.0	1799.0	1774.48
110	2.26	2.26	2.26	2.44
111	3076.71	3076.71	3076.71	3076.71
112	121.41	121.41	119.56	119.55
113	2553.18	2553.18	2527.77	2511.22
114	2985.10	2985.10	2977.76	2982.61
115	1539.13	1539.13	1539.13	1539.13
116	2767.39	2767.39	2763.32	2768.97
117	476.50	476.50	476.50	470.71
118	239.1	239.1	239.1	230.5
119	168.9	168.9	168.9	168.9
120	662.92	662.92	662.92	662.92
121	631.31	631.31	631.31	631.31
122	319.92	319.92	312.54	311.64
123	125.9	125.9	125.9	124.6
124	290.0	290.0	290.0	290.0
125	717.82	717.82	718.94	718.94
126	232.53	232.53	232.53	232.53
127	886.4	886.4	886.4	886.5
128	636.7	636.7	636.7	636.7
129	566.1	566.1	566.1	566.1
130	4736.56	4736.56	4736.56	4736.56
131	4736.56	4736.56	4736.56	4736.56

	1990	
	High	Low
1973 (12)	7 (12)	179.2 (2)
1974 (12)	61.4 (3)	61.4 (3)
1975 (12)	400.9 (2)	400.9 (2)
1976 (12)	495.9 (1)	495.9 (1)
1977 (12)	322.7 (2)	322.7 (2)
1978 (12)	368.9 (2)	368.9 (2)
1979 (12)	410.8 (2)	410.8 (2)
1980 (12)	1485.4 (1)	1485.4 (1)
1981 (12)	561.6 (2)	561.6 (2)
1982 (12)	1627.1 (2)	1627.1 (2)
1983 (12)	1354.4 (2)	1354.4 (2)
1984 (12)	273.24 (1)	273.24 (1)
1985 (12)	1193.4 (1)	1193.4 (1)
1986 (12)	593.67 (2)	593.67 (2)
1987 (12)	2622.1 (1)	2622.1 (1)
1988 (12)	1325 (2)	1325 (2)
1989 (12)	479.8 (2)	479.8 (2)
1990 (12)	25.6 (1)	25.6 (1)
1991 (12)	16.6 (1)	16.6 (1)
1992 (12)	651.46 (1)	651.46 (1)
1993 (12)	574.88 (1)	574.88 (1)
1994 (12)	391.45 (1)	391.45 (1)
1995 (12)	1149 (2)	1149 (2)
1996 (12)	2403.4 (1)	2403.4 (1)
1997 (12)	264.37 (1)	264.37 (1)
1998 (12)	813.6 (2)	813.6 (2)
1999 (12)	613.4 (2)	613.4 (2)
2000 (12)	518.4 (2)	518.4 (2)
2001 (12)	256.47 (1)	256.47 (1)
2002 (12)	544.96 (2)	544.96 (2)

[illegible]

19	1,000	1,000
20	1,000	1,000
21	1,000	1,000
22	1,000	1,000
23	1,000	1,000
24	1,000	1,000
25	1,000	1,000
26	1,000	1,000
27	1,000	1,000
28	1,000	1,000
29	1,000	1,000
30	1,000	1,000
31	1,000	1,000
32	1,000	1,000
33	1,000	1,000
34	1,000	1,000
35	1,000	1,000
36	1,000	1,000
37	1,000	1,000
38	1,000	1,000
39	1,000	1,000
40	1,000	1,000
41	1,000	1,000
42	1,000	1,000
43	1,000	1,000
44	1,000	1,000
45	1,000	1,000
46	1,000	1,000
47	1,000	1,000
48	1,000	1,000
49	1,000	1,000
50	1,000	1,000
51	1,000	1,000
52	1,000	1,000
53	1,000	1,000
54	1,000	1,000
55	1,000	1,000
56	1,000	1,000
57	1,000	1,000
58	1,000	1,000
59	1,000	1,000
60	1,000	1,000
61	1,000	1,000
62	1,000	1,000
63	1,000	1,000
64	1,000	1,000
65	1,000	1,000
66	1,000	1,000
67	1,000	1,000
68	1,000	1,000
69	1,000	1,000
70	1,000	1,000
71	1,000	1,000
72	1,000	1,000
73	1,000	1,000
74	1,000	1,000
75	1,000	1,000
76	1,000	1,000
77	1,000	1,000
78	1,000	1,000
79	1,000	1,000
80	1,000	1,000
81	1,000	1,000
82	1,000	1,000
83	1,000	1,000
84	1,000	1,000
85	1,000	1,000
86	1,000	1,000
87	1,000	1,000
88	1,000	1,000
89	1,000	1,000
90	1,000	1,000
91	1,000	1,000
92	1,000	1,000
93	1,000	1,000
94	1,000	1,000
95	1,000	1,000
96	1,000	1,000
97	1,000	1,000
98	1,000	1,000
99	1,000	1,000
100	1,000	1,000

[illegible][illegible]

10	19.50	04.05
11	1.4	04.05
12	2.95	04.05
13	1.4	04.05
14	2.95	04.05
15	23.00	04.05
16	7.25	04.05
17	7.25	04.05
18	6.75	04.05
19	10.40	04.05
20	10.50	04.05
21	7.75	04.05
22	7.75	04.05
23	1.4	04.05
24	1.4	04.05
25	1.4	04.05
26	1.4	04.05
27	1.4	04.05
28	1.4	04.05
29	1.4	04.05
30	1.4	04.05
31	1.4	04.05
32	1.4	04.05
33	1.4	04.05
34	1.4	04.05
35	1.4	04.05
36	1.4	04.05
37	1.4	04.05
38	1.4	04.05
39	1.4	04.05
40	1.4	04.05
41	1.4	04.05
42	1.4	04.05
43	1.4	04.05
44	1.4	04.05
45	1.4	04.05
46	1.4	04.05
47	1.4	04.05
48	1.4	04.05
49	1.4	04.05
50	1.4	04.05
51	1.4	04.05
52	1.4	04.05
53	1.4	04.05
54	1.4	04.05
55	1.4	04.05
56	1.4	04.05
57	1.4	04.05
58	1.4	04.05
59	1.4	04.05
60	1.4	04.05
61	1.4	04.05
62	1.4	04.05
63	1.4	04.05
64	1.4	04.05
65	1.4	04.05
66	1.4	04.05
67	1.4	04.05
68	1.4	04.05
69	1.4	04.05
70	1.4	04.05
71	1.4	04.05
72	1.4	04.05
73	1.4	04.05
74	1.4	04.05
75	1.4	04.05
76	1.4	04.05
77	1.4	04.05
78	1.4	04.05
79	1.4	04.05
80	1.4	04.05
81	1.4	04.05
82	1.4	04.05
83	1.4	04.05
84	1.4	04.05
85	1.4	04.05
86	1.4	04.05
87	1.4	04.05
88	1.4	04.05
89	1.4	04.05
90	1.4	04.05
91	1.4	04.05
92	1.4	04.05
93	1.4	04.05
94	1.4	04.05
95	1.4	04.05
96	1.4	04.05
97	1.4	04.05
98	1.4	04.05
99	1.4	04.05
100	1.4	04.05

[Faint, illegible text from the reverse side of the page.]

WORLD
 S&P Capital Int'l 473.9 465.9 458.8 453.7 574.0 441.2 453.1 428.9
 Security Decree 1 Taken Monthly Price: 4744.40 (Last: 4708.56)
 * Subject to official recalculation. * Calculated at 15.00 GMT.
 Some values of all indices are 100 except: Brussels SE, ESEN Overall and DAX - 1000; Nikkei - 225; FTSE - 100; Hang Seng - 250; JSE 26.
 f Excluding bonds & industrial, plus (Utilities, Financials and Transportation, c) Crieded, w/o
 available.

[illegible]

... ..

INDUSTRIALS (Miscel.) - Contd.

مكتبة المصطفى

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

MINES—Contd.[illegible]

Stock	Price	%	Vol	Chg	Per	P/E
Analyst H&W 200	24					
Analyst H&W 100	44					
Analyst H&W 50	44					
Analyst H&W 25	44					
Analyst H&W 12 1/2	44					
Analyst H&W 6 1/4	44					
Analyst H&W 3 1/8	44					
Analyst H&W 1 5/8	44					
Analyst H&W 7/8	44					
Analyst H&W 3/4	44					
Analyst H&W 1/2	44					
Analyst H&W 1/4	44					
Analyst H&W 1/8	44					
Analyst H&W 1/16	44					
Analyst H&W 1/32	44					
Analyst H&W 1/64	44					
Analyst H&W 1/128	44					
Analyst H&W 1/256	44					
Analyst H&W 1/512	44					
Analyst H&W 1/1024	44					
Analyst H&W 1/2048	44					
Analyst H&W 1/4096	44					
Analyst H&W 1/8192	44					
Analyst H&W 1/16384	44					
Analyst H&W 1/32768	44					
Analyst H&W 1/65536	44					
Analyst H&W 1/131072	44					
Analyst H&W 1/262144	44					
Analyst H&W 1/524288	44					
Analyst H&W 1/1048576	44					
Analyst H&W 1/2097152	44					
Analyst H&W 1/4194304	44					
Analyst H&W 1/8388608	44					
Analyst H&W 1/16777216	44					
Analyst H&W 1/33554432	44					
Analyst H&W 1/67108864	44					
Analyst H&W 1/134217728	44					
Analyst H&W 1/268435456	44					
Analyst H&W 1/536870912	44					
Analyst H&W 1/1073741824	44					
Analyst H&W 1/2147483648	44					
Analyst H&W 1/4294967296	44					
Analyst H&W 1/8589934592	44					
Analyst H&W 1/17179869184	44					
Analyst H&W 1/34359738368	44					
Analyst H&W 1/68719476736	44					
Analyst H&W 1/137438953472	44					
Analyst H&W 1/274877906944	44					
Analyst H&W 1/549755813888	44					
Analyst H&W 1/1099511627776	44					
Analyst H&W 1/2199023255552	44					
Analyst H&W 1/4398046511104	44					
Analyst H&W 1/8796093022208	44					
Analyst H&W 1/17592186444416	44					
Analyst H&W 1/35184372888832	44					
Analyst H&W 1/70368745777664	44					
Analyst H&W 1/140737491555328	44					
Analyst H&W 1/281474983110656	44					
Analyst H&W 1/562949966221312	44					
Analyst H&W 1/1125899932442624	44					
Analyst H&W 1/2251799864885248	44					
Analyst H&W 1/4503599729770496	44					
Analyst H&W 1/9007199459540992	44					
Analyst H&W 1/18014398919081984	44					
Analyst H&W 1/36028797838163968	44					
Analyst H&W 1/72057595676327936	44					
Analyst H&W 1/144115191352655872	44					
Analyst H&W 1/288230382705311744	44					
Analyst H&W 1/576460765410623488	44					
Analyst H&W 1/1152921530821246976	44					
Analyst H&W 1/2305843061642493952	44					
Analyst H&W 1/4611686123284987904	44					
Analyst H&W 1/9223372246569975808	44					
Analyst H&W 1/18446744493139951616	44					
Analyst H&W 1/36893488986279903232	44					
Analyst H&W 1/73786977972559806464	44					
Analyst H&W 1/147573955945119612928	44					
Analyst H&W 1/295147911890239225856	44					
Analyst H&W 1/590295823780478451712	44					
Analyst H&W 1/1180591647560956903424	44					
Analyst H&W 1/2361183295121913806848	44					
Analyst H&W 1/4722366590243827613696	44					
Analyst H&W 1/9444733180487655227392	44					
Analyst H&W 1/18889466360975310454784	44					
Analyst H&W 1/37778932721950620909568	44					
Analyst H&W 1/75557865443901241819136	44					
Analyst H&W 1/151115730887802483638272	44					
Analyst H&W 1/302231461775604967276544	44					
Analyst H&W 1/604462923551209934553088	44					
Analyst H&W 1/1208925847102419871106176	44					
Analyst H&W 1/2417851694204839742212352	44					
Analyst H&W 1/4835703388409679484424704	44					
Analyst H&W 1/9671406776819358968849408	44					
Analyst H&W 1/19342813553638717937698816	44					
Analyst H&W 1/38685627107277435875397632	44					
Analyst H&W 1/77371254214554871750795264	44					
Analyst H&W 1/154742508429109743501590528	44					
Analyst H&W 1/309485016858219487003181056	44					
Analyst H&W 1/618970033716438974006362112	44					
Analyst H&W 1/1237940067432877948012724224	44					
Analyst H&W 1/2475880134865755896025448448	44					
Analyst H&W 1/4951760269731511792050896896	44					
Analyst H&W 1/9903520539463023584101793792	44					
Analyst H&W 1/19807041078926047168203987584	44					
Analyst H&W 1/39614082157852094336407975168	44					
Analyst H&W 1/79228164315704188672815950336	44					
Analyst H&W 1/158456328635408377345631900672	44					
Analyst H&W 1/316912657270816754691263801344	44					
Analyst H&W 1/633825314541633509382527602688	44					
Analyst H&W 1/1267650629083267018765055205376	44					
Analyst H&W 1/2535301258166534037530110410752	44					
Analyst H&W 1/5070602516333068075060220821504	44					
Analyst H&W 1/10141205032666136150120441643008	44					
Analyst H&W 1/20282410065332272300240883286016	44					
Analyst H&W 1/40564820130664544600481766572032	44					
Analyst H&W 1/81129640261329089200963533144064	44					
Analyst H&W 1/162259280522658178401926866288128	44					
Analyst H&W 1/324518561045316356803853732576256	44					
Analyst H&W 1/649037122090632713607707465152512	44					
Analyst H&W 1/1298074244181265427215449302305024	44					
Analyst H&W 1/2596148488362530854430898604610048	44					
Analyst H&W 1/5192296976725061708861797209220096	44					
Analyst H&W 1/10384593953450123417723594418440192	44					
Analyst H&W 1/20769187906900246835447188836880384	44					
Analyst H&W 1/41538375813800493670894377673760768	44					
Analyst H&W 1/83076751627600987341788755347521536	44					
Analyst H&W 1/16615350325520197468357750674003072	44					
Analyst H&W 1/33230700651040394936715501348006144	44					
Analyst H&W 1/66461401302080789873431002696012288	44					
Analyst H&W 1/132922802604161578146862005392025728	44					
Analyst H&W 1/265845605208323156293724010784051456	44					
Analyst H&W 1/5316912104166463125874480215680102912	44					
Analyst H&W 1/10633824208332926251748960431360205824	44					
Analyst H&W 1/21267648416665852503497920862720411648	44					
Analyst H&W 1/42535296833331705006995841725440823296	44					
Analyst H&W 1/85070593666663410013991683450881646592	44					
Analyst H&W 1/170141187333326820027983366901763293184	44					
Analyst H&W 1/340282374666653640055966733803526586368	44					
Analyst H&W 1/680564749333307280111933467607051736736	44					
Analyst H&W 1/1361129498666614562238666935214010347328	44					
Analyst H&W 1/2722258997333229124477333870428020694656	44					
Analyst H&W 1/544451799466645824895466774085604139328	44					
Analyst H&W 1/1088903598933291649790933548171208278656	44					
Analyst H&W 1/217780719786658329958186709634241655712	44					
Analyst H&W 1/4355614395733166599163734192684833114224	44					
Analyst H&W 1/8711228791466333198327468385369666228448	44					
Analyst H&W 1/17422457582932663966455367706993324576	44					
Analyst H&W 1/34844915165865327932910735413986649152	44					
Analyst H&W 1/69689830331730655865821470827933298304	44					
Analyst H&W 1/139379660663461311711642841655866596608	44					
Analyst H&W 1/278759321326922623423285683311733193216	44					
Analyst H&W 1/557518642653845246846571366623466386432	44					
Analyst H&W 1/111503728530769049369314273324693672864	44					
Analyst H&W 1/223007457061538098738628546649387345728	44					
Analyst H&W 1/446014914123076197477257093298774691536	44					
Analyst H&W 1/892029828246152394954514186597549383072	44					
Analyst H&W 1/1784059656492304789909028373195098766144	44					
Analyst H&W 1/3568119312984609579818056746390197532288	44					
Analyst H&W 1/7136238625969219159636113492780395064576	44					
Analyst H&W 1/1427247725193843831927222698556079012912	44					
Analyst H&W 1/2854495450387687663854445397112158025824	44					
Analyst H&W 1/5708990900775375327708890794224316056384	44					
Analyst H&W 1/11417981801550750655417781588448632112768	44					
Analyst H&W 1/22835963603101501310835563176897264225536	44					
Analyst H&W 1/4567192720620300262167112635379452845112	44					
Analyst H&W 1/9134385441240600524334225270758905690224	44					
Analyst H&W 1/18268770882481201048668450541517811380448	44					
Analyst H&W 1/3653754176496240209733690108303562276096	44					
Analyst H&W 1/7307508352992480419467380216607124552192	44					
Analyst H&W 1/14615016705984960838934760433214249104384	44					
Analyst H&W 1/29230033411969921677869520866428498208768	44					
Analyst H&W 1/58460066823939843355739041732856996417536	44					
Analyst H&W 1/11692013364787968671147808346571399287712	44					
Analyst H&W 1/23384026729575937342295616693142798575424	44					
Analyst H&W 1/467680534591518746845912333862855971088	44					
Analyst H&W 1/93536106918303749369182466772571182176	44					
Analyst H&W 1/1870722138366074973837489335451423635328	44					
Analyst H&W 1/3741444276732149947674978670902847270656	44					
Analyst H&W 1/7482888553464299895349957341805694541312	44					
Analyst H&W 1/14965777106925799706699914833611389082624	44					

Happy Kids Sp.	13			
Stress Connections	14			
Morrows Lecture 24p	53	10	44	25 96
U. Group 10p	32			
How Magic Lbs. Is	19	+2		
Star Ends Sp.	24			

[illegible][illegible]

ANIXTER
 Wiring Systems Specialists

 Ethernet • IBM Cabling System • LAN
 Fibre Optics • AT&T's PDS • Nevada Western
 Belden • Digital's DECconnect
 Tel: 0753 986884

FINANCIAL TIMES

Weekend December 8/December 9 1990

 GET THE 10 SECOND ADVANTAGE
TCAM
 SYSTEMS
 071 374-0977
 the Quicker Ticker

Investors promised shake-up on costs

By Richard Waters

LIFE assurance and unit trust companies are to be pressed to give investors more information about costs at an early stage of a sale, Mr Peter Lilley, trade and industry secretary, said yesterday.

He gave the Securities and Investments Board, which lays down the disclosure rules, 18 months to introduce changes. Responding to a parliamentary question from Mr Graham Riddick, Conservative MP for Colne Valley, Mr Lilley referred to a report from Sir Gordon Borrie, director general of fair trading, who said in April that the rules governing disclosure were anti-competitive.

Mr Lilley said that, following investigations by the Department of Trade and Industry in the summer, he had concluded that the present rules "do not automatically provide the investor with the information he needs, and at an early enough stage, to make an informed investment decision".

He added: "It is especially difficult for an investor to make a comparison between a purchase through an independent financial adviser and a purchase through a tied agent."

At present, no information about costs is given when an investment is sold, but is sent to investors during the "cooling off period", when they have a right to cancel.

The information does not reveal in cash terms how much is being absorbed in charges, but discloses in percentage terms the reduction in the estimated yield from the investment. Where an independent financial adviser is involved, his commission is shown as a percentage of the premium paid by the investor.

Mr Lilley did not call specifically for cash disclosure at the point of sale, but by putting the ball firmly back in the SIB's court, he is likely to have strengthened the regulator's hand in its attempts to cajole the life companies and independent financial advisers into accepting stiffer disclosure rules.

Mr David Walker, chairman of the SIB, said he welcomed Mr Lilley's statement that the regulatory approach was evolving and should be handled carefully to prevent other distortions arising.

He added that the SIB had "a serious practical concern about the pace at which further necessary changes can be implemented."

Rise in unemployment heightens recession concern

Fed prompts rate cut

By Michael Prowse in Washington and Patrick Harveson in New York

THE US Federal Reserve nudged interest rates lower yesterday after a plunge in employment in November pushed the unemployment rate to 5.9 per cent, its highest level in three years.

The new jobs figures, combined with October's, are the worst since the last recession in 1981-82, and prompted the first cuts in banks' prime lending rates in nearly a year. In an apparent easing of monetary policy, the Fed allowed the federal funds rate to drift below 7 1/4 per cent, leading to speculation that it might soon cut the discount rate, which has stood at 7 per cent since February 1989. The discount rate is the rate the Fed charges on overnight loans to commercial banks.

The 267,000 fall in non-farm employment reported by the US Labour Department com-

pared with analysts' expectations of a decline of about only 75,000. Job losses in October were also revised up substantially, from 88,000 to 178,000.

Shortly after the unemployment figures were announced, Southwest Bank of St Louis, a regional bank which has often served as a bell-wether of interest rate changes, cut its prime lending rate from 10 per cent to 9.75 per cent effective from Monday. Another small bank, Manufacturers & Trust, followed. The prime rate sets a benchmark for a range of consumer loans.

On Wall Street, bond prices surged on expectations of lower interest rates but share prices were weaker, reflecting concern that the US was slipping rapidly into recession.

At midday, the benchmark 30-year Treasury bond was up almost 1 1/2 points at 105 1/2

Wall Street Page 19

hectic trading. The Dow Jones Industrial Average was down 13.37 at 2,891.1. The dollar was weaker across the board, losing about a penny from the previous close to DM1.4780 at mid-session in New York.

The jobs figures provide further evidence of a rapidly weakening economy. The White House expects negative growth in the fourth quarter, although it still predicts a recovery early next year. Many private forecasters predict a recession of moderate severity.

Dr Janet Norwood, commissioner of the Bureau of Labour Statistics, said the figures showed a "substantial and widespread" deterioration in the labour market. The US has not seen a two-month drop in employment of this magnitude

since the 1981-82 recession. Job losses were concentrated in goods-producing industries, which shed 255,000 jobs or 1 per cent of the total. Four fifths of the jobs were lost in manufacturing where employment has dropped by nearly 800,000 since January 1989.

The sharpest declines were in durable goods factories, with 55,000 jobs lost in the motor industry alone as a result of falling sales. Construction shed 60,000 jobs last month, taking the total decline over the past six months to 250,000.

The numbers unemployed rose by nearly 300,000 to 7.4m or 5.9 per cent of the workforce, compared with 5.7 per cent in October. The increase reflected job losses: there was virtually no change in the number of leaving jobs voluntarily or in those joining the workforce.

There is no doubt about it now: the markets have sensed serious recession on both sides of the Atlantic. In the UK, where the need to fight inflation is acute, this comes as no surprise. But in the US, where inflation is far less of a concern, the fear has always been that the economy might slip into recession by accident. Yesterday's depressing US employment figures for November indicate that this is just what is happening.

The Federal Reserve has been easing policy for well over a year. But this has not been enough to offset the effects of a fragile banking system and declining consumer confidence. This week's relaxation of US bank reserve requirements and yesterday's further Fed easing suggest that attempts at fine-tuning the US economy are being abandoned. If the US economy is not to plunge into deep recession, there has to be a change of gear in monetary policy.

This is already reflected in the bond markets. The yield on US long bonds has fallen by around 100 basis points since late August. UK long gilt yields have fallen from around 12 per cent to under 10.5 per cent. Significantly, the threat of recession has more than outweighed the weakness of both the dollar and sterling and worries about the inflationary impact of a Gulf war. The equity markets can take heart from the fact that bond markets generally lead a rally by six months or so. On the other hand, the deeper the recession the better the outlook for bonds. Beyond a certain point, the opposite is true for equities.

Wolv. & Dudley

On the face of it, Wolverhampton & Dudley Breweries looks the classic doomed victim of the UK brewing revolution. It brews no lager. More than half its output is old-fashioned mild ale. It produces nothing but its own two brands, with the smaller of its two breweries running at half capacity. While the big brewers brood over whether to quit brewing or quit pub ownership, it produces nothing but its own two brands, with the smaller of its two breweries running at half capacity. While the big brewers brood over whether to quit brewing or quit pub ownership, it produces nothing but its own two brands, with the smaller of its two breweries running at half capacity.

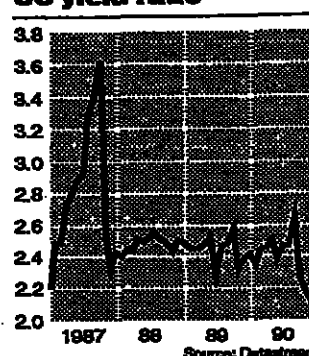
But there is more to it than that. Having just produced a 16 per cent rise in full-year earnings, the company has gone on to forecast a dividend increase of 7.5 per cent in the current

THE LEX COLUMN

Storms over the Atlantic

FT-SE Index: 2,183.4 (+5.9)

US yield ratio



year. Its historic p/e is 10.9, its yield a mere 2.4 per cent and its market value over £250m. Though it does not produce lager, it has stitched up the distribution of three prominent brands within its region. While waiting for the brewing tie to dissolve, it aims to push its sale brands as guest beers under the new government rules. Meanwhile, it continues to increase its pub estate through a programme which in recent years has seen it build more new pubs than Bass. Above all, it does nothing else but make and sell beer. Just possibly, the shares are oversold.

Pension surpluses

The pension fund surpluses run up by corporate UK in the 1980s are tricky things for investors to analyse. Presumably a surplus is an asset, as a source of future savings in cash flow. When surpluses are as big as Barclays Bank's £1.3bn, this is very genuine. The problem is determining just what the surplus is worth on a share price. This week's High Court decision on the Imperial scheme made some of the legal issues about who owns the surplus a bit clearer. But SSAP 24, the pension costs accounting standard, has been disappointing in allowing such wide discretion in valuing the fund. And the European Court's decision that retirement ages for men and women should be equalised muddies the waters further.

So there are two welcome features to the £20m post-tax refund Lucas Industries is seeking from its pension scheme, one of the UK's most grossly over-endowed. The first good news is the cash. The second is that it brings out the shareholder value hidden in

the pension scheme, solving the stock market's quandary about what price to put on it. News of the deal promptly added £70m to Lucas's market capitalisation. The downside is that the pension fund made on average a 19 per cent investment return from 1985 to 1990. Lucas Industries' own return on capital employed, at 23 per cent, was only marginally ahead of that. What with taxes and the automotive industry slump, the money could be better off staying in the fund.

Corporate funding

The corporate treasurer's lot has not been a happy one in recent months. The sharp decline of UK companies' liquidity ratio - cash or equivalents to short-term debt - has put pressure on capital spending and dividends. Cash coming into companies is increasingly being diverted to service the bank loans which have formed their main funding vehicle since 1987. Next year, the average FT-SE company will probably devote just under 50 per cent of its gross cash flow to paying tax, dividends and interest. In 1988, the figure was 41 per cent.

The takeover boom at the tail end of the 1980s was largely funded by overdrafts rather than equity. Overall, bank borrowing by UK industrial and commercial companies rose 450 per cent between 1985 and 1988. The debt was mainly short-term. Meanwhile, use of the bond markets for long-term borrowing has been relatively rare. Treasurers have proved reluctant to commit themselves to what they saw as expensive fixed-rate debt. The UK market has been in visible decline, with a combination of lack of issues and tax-driven buy-backs damaging liquidity. Investors have barely needed excuses like event risk to shun sterling bonds.

This week's successful issuing of long-dated sterling bonds by three companies does little to change this. The companies - Guinness, Whitbread and Anglian Water - have all out-performed the equity market this year. With the possible exception of Guinness, they are not reliant on interest rate cuts to reduce debt burdens. Others might like to follow suit, but start from much weaker positions. Yields may have come down, but they remain too high for most would-be borrowers. Right issues are hardly an attractive alternative to the yield on the FT-All Share at 5.4 per cent. The treasurer's dilemma remains.



Campaigning: Harry Greenway had a 15,153 majority in Ealing North, west London, at the last election

Conservative MP charged in bribery probe

By John Mason

MR HARRY GREENWAY, the Tory MP for Ealing North, was yesterday charged on seven counts involving the alleged receipt of bribes in violation of his public duty as a member of parliament.

The charges date back to 1984 and are part of an inquiry by British Transport Police into alleged bribery involving contracts to supply British Rail with specialist railway equipment.

Mr Greenway was charged at London's Bow Street police station with corruptly accepting gifts from the Austrian-based Plasser Railway Machinery (GB).

It is alleged that these included airline tickets for himself and members of his family to travel to remain in West Germany and Austria along with tickets to an exhibition of the Spanish Riding School at Wembley.

They also include an allegation that he used his influence as an MP to support an application for British nationality by Mr Norbert Jurssek, the managing director of Plasser, falsely claiming he had known him for three years.

he tried to influence the appointment of the chairman of British Rail after Sir Robert Reid's first term in the job.

In a statement issued through his solicitors, Mr Greenway said yesterday: "I am astonished by the decision of the Director of Public Prosecutions to bring charges against me."

"I intend to contest the charges and to make my defence at the proper time. Meanwhile I propose to serve my constituents in Ealing North with the same diligence I have always shown."

A former British Rail director of civil engineering and three executives of Plasser Railway Machinery (GB) have already been charged following the investigation.

Mr Greenway was released on bail to reappear before Bow Street magistrates court on January 15.

A former deputy headmaster, Mr Greenway, 56, was elected to parliament in 1978 having been a councillor for 16 years. He was the Labour MP for Stapeley at the three previous general elections. He had a 15,153 majority at the last election.

New bank seeks to form a building society federation

By James Buxton, Scottish Correspondent

A FINANCIAL institution was launched yesterday with the aim of taking over several of Britain's small and medium-sized building societies and merging them into a federation.

Bank of Edinburgh, as it is to be called, has raised £26m in equity from financial institutions, with Scottish Amicable, the life assurance company, taking a 39 per cent stake.

It envisages persuading smaller building societies to give up their mutual status and become part of a PLC. The shareholders of the building societies, who are its depositors, would be compensated with a cash payment and their managements offered share options in Bank of Edinburgh.

The aim is to bring together several societies to create a company large enough to compete in what Bank of Edinburgh says will be an increasingly hostile environment. Although economies of scale would be achieved, individual members of the federation would retain some autonomy.

The initiative is one of the most ambitious to be launched in the building societies industry since the introduction of the 1986 Building Societies Act.

Since then, Abbey National has demutualised and floated itself as a bank, but no other society has followed suit. Many banks and financial institutions have studied the possibility of acquiring building societies but no building society has yet agreed to be taken over by a public company.

People in the building society industry were sceptical yesterday about Bank of Edinburgh's chances of success. Mr Terry Adams, chief executive of the Skipton Building Society, a middle-ranking society based in North Yorkshire, said: "I don't think it has any chance of success."

Bank of Edinburgh is the initiative of Mr Ken Murray, a 32-year-old Scot with a background in money broking and investment analysis. With him is Mr Philip Court, 52, who recently left Birmingham Midshires building society, which he expanded, partly through mergers, from having assets of £25m in 1973 to a current level of £32m.

As well as Scottish Amicable, Bank of Edinburgh has raised equity from investors such as Ecclesiastical Insurance, Fleming Enterprise investment trust, the Indepen-

dent Investment company (run by Ivory & Sims) and Scottish Eastern investment trust.

The chairman is Mr Michael Moore, chairman of Tomkins, the industrial holding company, and board members include Mr Lewis Robertson, the company doctor and former chairman of Girobank. The bank will be based in the Scottish capital.

Bank of Edinburgh hopes to obtain Bank of England authorisation in due course. It would offer building societies a friendly takeover. The building society would then ask its members to agree to demutualise in return for which they would receive a cash sum, similar to that paid to depositors and borrowers when Abbey National converted into a PLC. The society would cease to be a building society but would probably continue to trade under its familiar name.

Mr Patrick Frazer of DIBC, financial analysts, said: "In principle it's feasible. In practice, building societies are playing hard to get and prefer to merge with others than be taken over by an outsider. None of them wants to be the first to go to their shareholders and agree to that."

Paris and Bonn

Continued from Page 1

should define the priority areas for common action, such as relations with the Soviet Union and eastern Europe, arms control, and relations with the Mediterranean countries.

"Thus foreign policy could develop towards a truly common foreign policy," the letter says.

It continues: "Political Union should include a truly common security policy, which would lead in time to a common defence."

The regular European sum-

mits of heads of government should play a stronger role in guiding the policies of the Community, the two leaders said.

The summits should be empowered to open up new fields of co-operation and set guidelines for future policy, acting by unanimity, but subject to the majority approval of the European Parliament.

The scope of the European Community should be enlarged to cover a range of issues which now lie outside the

Rome Treaty, such as environment, health, social policy, energy, research and technology, and consumer protection. In addition, the two leaders argue that the Community should handle immigration, visa policy, right of asylum, drug control and the fight against organised crime.

The powers of the European Parliament should be strengthened, while national parliaments and regions should also be more closely associated with the Union.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (DM)		
Riese		
BASF	223.5	+ 4.5
Bayer	222.2	+ 3.7
Daimler-Benz	611	+ 4
Hoescht	218.5	+ 5
Siemens	530	+ 5
Tele		
Henkel	536	- 10
NEW YORK (\$)		
Apple Comp	41 1/2	+ 5
Pella		
Bankers Trust	41	+ 1 1/2
Ford	27 1/2	+ 1 1/2
Gen Elec	57 1/2	+ 1 1/2
Gen Motor	36 1/2	+ 5
Man Hanover	22 1/2	+ 5
PARIS (FFr)		
Apple Comp	41 1/2	+ 5
Pella		
Bankers Trust	41	+ 1 1/2
Ford	27 1/2	+ 1 1/2
Gen Elec	57 1/2	+ 1 1/2
Gen Motor	36 1/2	+ 5
Man Hanover	22 1/2	+ 5

New York prices as at 12.30pm.

LONDON (Pence)

ASW	225	+ 10
Atwoods	422	+ 12
Bradstock	277	+ 10
Brit Aerospace	521	+ 15
Caledonia Int	346	+ 9
Geestmar	193	+ 15
Granada	277	+ 10
Health (C.E.)	455	+ 13
Leigh Int	315	+ 9
P & O Dred	540	+ 11
Sanderson Elec	135	+ 10
Scottish & New	357	+ 8

WORLDWIDE WEATHER

UK today: steel or snow in most areas. It will be a very cold day with a strong to gale-force northerly wind. Outlook: cold with snow showers in most places.

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
London	10	10	10	London	10	10	10
Paris	10	10	10	Paris	10	10	10
Bonn	10	10	10	Bonn	10	10	10
Frankfurt	10	10	10	Frankfurt	10	10	10
Berlin	10	10	10	Berlin	10	10	10
Munich	10	10	10	Munich	10	10	10
Amsterdam	10	10	10	Amsterdam	10	10	10
Brussels	10	10	10	Brussels	10	10	10
Geneva	10	10	10	Geneva	10	10	10
Zurich	10	10	10	Zurich	10	10	10
Basel	10	10	10	Basel	10	10	10
Stuttgart	10	10	10	Stuttgart	10	10	10
Mannheim	10	10	10	Mannheim	10	10	10
Karlsruhe	10	10	10	Karlsruhe	10	10	10
Heidelberg	10	10	10	Heidelberg	10	10	10
Regensburg	10	10	10	Regensburg	10	10	10
Salzburg	10	10	10	Salzburg	10	10	10
Vienna	10	10	10	Vienna	10	10	10
Budapest	10	10	10	Budapest	10	10	10
Warsaw	10	10	10	Warsaw	10	10	10
Prague	10	10	10	Prague	10	10	10
Bratislava	10	10	10	Bratislava	10	10	10
Belgrade	10	10	10	Belgrade	10	10	10
Sofia	10	10	10	Sofia	10	10	10
Thessalonika	10	10	10	Thessalonika	10	10	10
Constantinople	10	10	10	Constantinople	10	10	10
Jerusalem	10	10	10	Jerusalem	10	10	10
Tel Aviv	10	10	10	Tel Aviv	10	10	10
Beirut	10	10	10	Beirut	10	10	10
Damascus	10	10	10	Damascus	10	10	10
Baghdad	10	10	10	Baghdad	10	10	10
Tripoli	10	10	10	Tripoli	10	10	10
Cairo	10	10	10	Cairo	10	10	10
Algiers	10	10	10	Algiers	10	10	10
Tunis	10	10	10	Tunis	10	10	10
Nairobi	10	10	10	Nairobi	10	10	10
Accra	10	10	10	Accra	10	10	10
Lagos	10	10	10	Lagos	10	10	10
Abuja	10	10	10	Abuja	10	10	10
Nairobi	10	10	10	Nairobi	10	10	10
Accra	10	10	10	Accra	10	10	10
Lagos	10	10	10	Lagos	10	10	10
Abuja	10	10	10	Abuja	10	10	10

C: Cloudy D: Drizzle F: Fair P: Fog H: Hot R: Rain S: Sunny St: Storm T: Thunder W: Windy

10: 10°C 20: 20°C 30: 30°C 40: 40°C 50: 50°C 60: 60°C 70: 70°C 80: 80°C 90: 90°C 100: 100°C

110: 110°C 120: 120°C 130: 130°C 140: 140°C 150: 150°C 160: 160°C 170: 170°C 180: 180°C 190: 190°C 200: 200°C

210: 210°C 220: 220°C 230: 230°C 240: 240°C 250: 250°C 260: 260°C 270: 270°C 280: 280°C 290: 290°C 300: 300°C

310: 310°C 320: 320°C 330: 330°C 340: 340°C 350: 350°C 360: 360°C 370: 370°C 380: 380°C 390: 390°C 400: 400°C

410: 410°C 420: 420°C 430: 430°C 440: 440°C 450: 450°C 460:

JP 11/10/150

Weekend FT

SECTION II

Weekend December 8/December 9 1990

"Public manifestations and numerous funerals have not saved anyone in Amazonia. I want to live" Francisco (Chico) Alves Mendes Filho September 1988

A SMALL blue house rising on stilts from the mud of town in the middle of the Amazon jungle will be the focus of world attention this week. On its richly back wall, bloodstains and bullet holes mark the place where, two years ago, a rubber tapper was gunned down for defending the world's largest rainforest. Although little known in Brazil, Chico Mendes has achieved international fame even before his assassination.

The remote state of Acre on Brazil's north west border with Peru and Bolivia is an unlikely location for the world's first ecological martyr. And Mendes, short and portly, was not an obvious hero. Yet he more than any other man has come to symbolise the plight of the Amazon forest. On Wednesday in Mendes' home town of Xapuri, a father and son will stand trial for his murder amid a ferment of debate about the basic question of the Amazonia: can modern man and rainforest co-exist.

Mendes mobilised rubber tappers and Indians in an odd alliance against developers who were tearing out the green heart of the region. And he managed to save Acre from deforestation that disfigured other western Amazonian states.

The Green Movement could not have wished for a more harrowing tale to promote its cause. It reads like a movie script indeed, the film rights to the story of Chico's life were auctioned in Hollywood last year for a reputed \$1.7m.

His tale could have sprung, with only a change of backdrop, straight from the Wild West. On one side, the simple rubber tappers and their nut gatherers fight for their right to use the forest as they have for 100 years. They are up against landowners who want to bulldoze the rain forest for pasture, foresters who want to sell its wood, and big companies, foreign and Brazilian, which bought Amazonia cheaply for speculative profits.

The tale is set in a one horse town where gun law settles disputes and tropical storms swallow up the only road for weeks on end. It was during one such storm on December 22 1988 that Mendes sat in his kitchen, a baby on each arm, restlessly playing dominoes. His young wife Ilzamar glanced repeatedly from the stove to the window, alert for the gunmen who they knew were waiting their chance.

Fearfully recalling the moment she said to him, "Chico, five years together Chico never spent a whole day with me. He was a man who belonged to everybody. But that day he wouldn't leave me." When dinner was almost ready, Mendes rose to take a shower in the outdoors. Ilzamar stopped him from taking their daughter, who was sickening for flu. As Mendes opened the door into the sheeting rain, bullets thudded into his chest. It was the sixth and final attempt on his life. Screaming, Ilzamar ran into the street for help, but the police guards who had been assigned to



The forest martyr

Chico Mendes lived and died to preserve the Amazonian jungle. The trial of his suspected murderers begins next week. Christina Lamb tells his story

them after Mendes began receiving death threats had long fled.

If it had not been for a chance encounter in 1982 when he was 18, Mendes might still be alive, scraping a living as a rubber tapper like his father and grandfather before him and as he had been doing since the age of nine. But one sweltering afternoon he was introduced to Euclides Tavora, a former revolutionary in hiding in the forest and the only person the young Chico had met able to read newspapers.

For three years Mendes would walk three hours through the jungle every day to learn to read and write. It was a political education too. Together they would listen to the BBC and Voice of Moscow, the news interpreted by Euclides, who had taken part in a Brazilian uprising in the 1950s before exile as a communist in Bolivia.

From Euclides, Mendes came to understand the oppression of the tappers by rubber barons who had brought them from the poor north east in the late 19th century and kept them as slaves to debt. They

did this by holding wages below the cost of subsistence provided by company shops. But after the rubber boom of World War Two, international competition slashed Brazil's share of the world market from its historic monopoly to the 4 per cent it is today. As the barons went bankrupt, the tappers became their own masters, able for the first time to sell directly to buyers and to grow their own foods.

Mendes began educating fellow tappers, none of whom had ever seen a school, and organising them to resist the buyers who were paying a third below the fixed government minimum price. In 1975 he became secretary of the Brasileira branch of CONTAG, the state-sponsored union for agricultural workers. He soon encountered a dangerous enemy - the ranchers.

Many were managers for multinational companies and businessmen in Sao Paulo, all encouraged by a new policy of cheap government credits to buy up vast tracts of Amazonia. Tappers were evicted at pistol point by ranchers waving

dubious land rights to old rubber estates. According to Dom Moscar Greco, the outspoken Bishop of Acre, 61 per cent of the state is now owned by large landholders, mostly with fraudulent titles.

Terrified of the ranchers with their big boots and swaggering manners, the rubber tappers flocked to the union Mendes set up in Xapuri, drawn by his slogan "against eviction of men for cows". Styling himself the Gandhi of the forest, the avuncular Chico was backed by the Church and its network of padres across western Amazonia. He persuaded his fellow rubber tappers to join hands with their women and children around each threatened piece of land to prevent its deforestation.

At that time the burning of the forest was so heavy that the sun and moon were blocked out and Xapuri was constantly coated with a layer of soot. But Mendes would lead his band of 50 under-tappers through the smog-filled under-

growth to surround the holding. The presence of women and children meant the police could not fire; the rancher would be forced into court to prove his right to deforest. Mendes claimed he saved 3m acres by this non-violent tactic.

But such a strategy could only save small pieces of land for temporary periods, so many tappers lost their livelihoods. The ranchers meanwhile hired more gunmen than cattle hands and started issuing threats to leaders of the landless. The first important assassination, in 1980, was of Wilson Pinheiro, the head of CONTAG. After that, Chico, with the backing of the PT, Brazil's workers' party, urged tappers to fight, not compromise.

A group of tappers, angered by the police's failure to find the murderer and suspecting the culprit was a local ranch manager, ambushed and killed him on a road. More than 100 tappers were later arrested and tortured. War had been declared.

There was little doubt which side

the authorities were backing. The Catholic Church estimates that more than 1,500 rural workers have been killed since 1978 in conflicts over land. Not one of those who ordered the murders has been brought to justice and only two contract killers sentenced.

Violence increased after 1985 when the ranchers became worried by the government's reversion to a policy of settling landless families in Amazonia. A new party, the Uniao Democratica Ruralista (UDR), was set up to ensure that agriculture was kept in the hands of big producers. The ranchers used increasingly well armed gunmen to protect what they claimed was their territory. As pitched battles raged tappers were forced out of the forest and the population of Rio Branco, the capital of Acre, doubled.

In response to the increased violence, the tappers formed a National Council to demand a legal right for local people to exploit the forest in ways which preserved the trees. In 1987, only two weeks after the Minister for Land Reform signed a new law giving effect to their demands, he was killed in a mysterious air crash. But the law survived: it said that land which had been fraudulently expropriated by fazendeiros could be turned into reserves.

The ranchers were furious. But Joao Branco, then UDR leader in Acre, denies that they took up arms in protest. "If the land in Acre cost the same as that in Japan it would be worth fighting over... this is an artificial conflict created by the press. They have been manipulated just as Chico was by the Church and the traditional politicians scared of losing the power they wield through state patronage if we ranchers, who don't depend on them at all, became too powerful."

Although Mendes was then unknown in Brazil outside the small area of Acre, he had begun to receive international recognition and the support of leading ecologists. His battle was presented to millions of American television viewers. Yet for Mendes it was still a struggle for survival. The Bishop of Acre explains: "He was defending the jungle, defending ecology but not of all defending their land."

But the lightning and a United Nations prize now resting in the grisly shrine that was once his house - made Mendes the champion of the Amazon and a hero of the international Green movement. Suddenly he was caught in the crossfire between those who wished to fence off the whole forest as a museum and those who wanted to destroy it for profit.

Ranchers still believe deforestation is the only course. The cemetery of charred tree stumps along the road to Xapuri and the swilled huts in Rio Branco inhabited by rubber tappers forced out of the forest make it easy to condemn Brazil for its policy in the past two decades of opening up the Amazon. But many Brazilians argue that the first world has no right to prevent development in a country with the largest debt in the developing world and worst income distribution, and in spite of its immense size, 12m landless poor. Joao Branco argues: "In a state with no energy or transport, what economic alternatives are there to cattle raising?"

Drinking with fellow ranchers in the airport bar, Branco hardly endears himself by initially demanding \$10,000 for an interview. A stocky man with a bushy moustache, he insists that the land is not suitable for agriculture or pasture are ludicrous. "This is good business - we'd hardly be spending \$100 a hectare to deforest if it wasn't. The rubber business on the other hand was finished long before we moved in in 1971. Preserving the forest is just preserving their starvation."

The international support for Mendes put considerable pressure on the government, as did his achievement of bringing together the traditional enemies, Indians and tappers in a Forest Peoples Alliance. He used this influence to fight against the clearing of forests in Cachoeira where he had grown up. The area belonged to Darli and Alvoriza Alves, two brothers who had fled from Parana where they were wanted on murder charges. In September 1988, after Mendes staged a sit in, the government declared the area a reserve.

The Alves brothers were much feared in Xapuri and that May had sent gunmen to break up an occupation of the local forestry office by rubber tappers, seriously wounding two young boys. Mendes knew he would pay heavily for his victory at Cachoeira. Just before Christmas they struck. Mendes' assassination provoked an international outcry and two days later Darli, one of Darli Alves' sons, gave himself up. They have been manipulated just as Chico was by the Church and the traditional politicians scared of losing the power they wield through state patronage if we ranchers, who don't depend on them at all, became too powerful."

Although Mendes was then unknown in Brazil outside the small area of Acre, he had begun to receive international recognition and the support of leading ecologists. His battle was presented to millions of American television viewers. Yet for Mendes it was still a struggle for survival. The Bishop of Acre explains: "He was defending the jungle, defending ecology but not of all defending their land."

But the lightning and a United Nations prize now resting in the grisly shrine that was once his house - made Mendes the champion of the Amazon and a hero of the international Green movement. Suddenly he was caught in the crossfire between those who wished to fence off the whole forest as a museum and those who wanted to destroy it for profit.

Ranchers still believe deforestation is the only course. The cemetery of charred tree stumps along the road to Xapuri and the swilled huts in Rio Branco inhabited by rubber tappers forced out of the forest make it easy to condemn Brazil for its policy in the past two decades of opening up the Amazon. But many Brazilians argue that the first world has no right to prevent development in a country with the largest debt in the developing world and worst income distribution, and in spite of its immense size, 12m landless poor. Joao Branco argues: "In a state with no energy or transport, what economic alternatives are there to cattle raising?"

But Mendes' influence remains. More than 15,000 journalists, politicians, union leaders, diplomats and ecologists are expected to descend on Xapuri for the two days the trial is predicted to last.

Mendes' greatest legacy has been the reversal in Brazilian attitudes. President Fernando Collor, voted in by landowners, appointed as Environment Minister Jose Lutzenberger, Brazil's foremost ecological activist, and on a visit to the Pantanal said: "We want to preserve as much as possible of the Amazon."

Some landowners are selling up because of the current recession and multinationals have moved out because of the bad publicity. The killings seem to have stopped too though Francisco Barbosa, the President of the Rubber Tappers' Union in Acre, fears this is a temporary lull by the ranchers so as not to prejudice the trial.

The struggle over the fate of the forest continues. The Bishop of Acre is not hopeful for the future: "Once this trial is over the issue will be seen by the public to be resolved and attention will move on. The world must realise that there are thousands of Chico Mendes."

Getting the measure of accountants

NORMALLY IT is wrong to shoot the messenger, but it can be tempting to do so if he has garbled the information he is supposed to convey.

These days those professional financial messengers, the accountants, are having a tough time. After a period of phenomenal prosperity in the 1980s, when certain of the firms were receiving fees of up to 30 per cent year after year, some of the costs of that dash for growth are becoming apparent.

In the US the seventh-largest accounting firm, Laventhol & Horwath, has actually been forced into bankruptcy - mainly because of the weight of legal claims against it. In Britain the medium-sized firm Stoy Hayward is limping, a series of disasters affecting several of its audit clients such as Polly Peck.

Most of the big firms have skeletons in their cupboards relating to collapsed client companies. The difficulty arises not just because companies have failed, but because they have done so in such an astonishing manner. Parkfield Group, Polly Peck, Coleridge and others have all produced record profits and apparently clean financial statements, duly signed by their auditors, then a few months later have collapsed.

Once, British listed company accounts in Britain had the reputation of being the best in Europe. This can no longer be assumed to be so. There has been too much manipulation, and although only a minority of companies has been

The Long View



There has been a run of fat years for the big firms of auditors, but now some of their past sins are beginning to catch up with them

The illusion of accuracy is vital to the accountancy profession because it confers much higher status. Who would have much regard for professionals who could only say that profits were somewhere between, er, 500m and

£110m? Who would pay them large fees for such an opinion? But the presence of precision where it does not exist rebounds against the accountants when it comes to fraud or other misconduct in companies. Surely auditors who can measure the value of profits or assets down to the last pound note ought to be able to notice when a few million go missing, or certainly when £215m went walkabout at Ferrant?

Not so, say the auditors. This is to misunderstand their role: they cannot be expected to detect when people tell them lies. Elsewhere, they have been able to cling to the amazing Caparo judgment, which appeared to show that auditors have no legal responsibility to anybody except the present shareholders of a company. But by the time the inspectors have finished crawling all over the scandals of 1990 it is unlikely that the big accounting firms will be able to keep their prestige intact.

Already there has been a response, in anticipation of the problems that have been brewing for years. The Accounting Standards Committee has already been replaced by a beefed-up Financial Reporting Council with a subsidiary Accounting Standards Board. Now there is to be a new Auditing Practices Board, too. This was bound to be the nature of the accounting establishment's pre-emptive strike, promising better rules, tougher discipline and broader public participation, all with the aim of bolstering the central role of the accounting profession.

The accountants have a lot at stake. Their profession is extraordinarily strong in Britain, to the extent that a tenth of all new male graduates join accounting firms. The statutory audit has increasingly been used as a loss-leader to attract more lucrative business in management consultancy, information technology and tax planning. To an ever-greater extent the auditor has become an executive of a diversified financial services group rather than an independent watchdog. So the scene has been set for merchant banks to market various kinds of artificial schemes to take liabilities off the balance sheet, and for there to be extensive misuse of the flexibility permitted in the UK in accounting for acquisitions or goodwill.

Essentially the external auditor has ceased to devote himself primarily to presenting the users of the accounts with the truth, but instead has come to help the financial director of his client company to show his results in the best possible light, taking due advantage of all the loopholes.

The right approach now is not to become bogged down in a new attempt to trap the genie in the bottle but to demystify the role of the accountants. Company accounts should emphasise the effects of various assumptions. Auditors' reports should offer constructive criticism tailored to each individual situation, not the routine recitation of a formula of approval. The message is more important than the prestige of the messenger.

Wardley Unit Trusts	Section Position	Quarter	Time Period
Wardley Hong Kong Trust	1st	1st	5 years to 1.1.90
Wardley Singapore & Malaysia Growth Trust	1st	1st	Since launch 3.8.87 to 1.1.90
Wardley Investment Smaller Companies Trust	1st	1st	Since launch 1.9.88 to 1.1.90
Wardley Japan Growth Trust	1st	1st	5 years to 1.1.90

Source - Mifcoral. Offer to bid, net income re-invested

OUR SUCCESS IN THE FAR EAST IS SECOND TO NONE.

Wardley have a proven record of success in the Far East.

Despite the volatile market, unit trusts are still excellent investments over the medium to long term. The fact is, the best time to buy is when the market has fallen and there is potential for subsequent growth.

Wardley Unit Trust Managers are part of the Wardley Investment Services group, who were voted Top International Equity Manager of 1989 by Nelson's Directory of Investment Managers in a survey carried out in conjunction with Barron's, the leading American business and investment journal.

So, if you're looking to reduce your cash holdings and invest in the Far East talk to

the Far Eastern specialists who are second to none. Wardley Unit Trust Managers.

Please remember that past performance is not necessarily a guide to the future and the value of units and the income from them can fluctuate.

For more information on how you can invest in our Far Eastern success call us free on 0800 289 739 or complete the coupon below.

I would like to know more about Wardley, the Far East specialists.

Name _____ Address _____

Send to Wardley Unit Trust Managers Limited, 3 Harbour Exchange Square, London E14 9GJ

Wardley

Unit Trust Managers Limited

member Hongkong Bank group

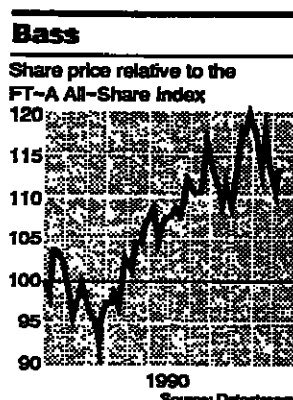
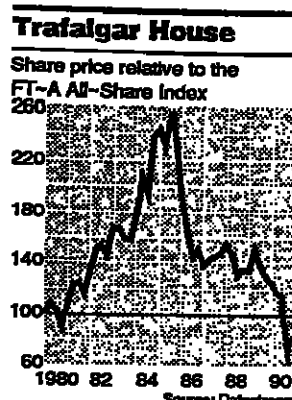
3 Harbour Exchange Square, LONDON E14 9GJ.
Telephone 071-955 5050. Member: IMRO, Lauro and UTA

London • New York • Tokyo • Hong Kong • Singapore • Taipei • Dubai • Melbourne • Luxembourg • Jersey

Family & Finance: Sara Webb looks at what savers think of Tessa	III	Arts: FT music critics pick their best records of the year	XX-XXI
How to Spend It: Intriguing gift suggestions for less than £10	X	TV and Radio: Full details of all the weekend's programmes	XXIII
Food & Wine: Janice Robinson hunts for bargain clarets.	XIII	Private View: Christian Tyler on the tall of a tigress	XXIV
Arts: XX-XXI	Chess: XXII	Food & Wine: XX-XXI	XXIV
Books: XXII	Cricket: XXIII	Football: XXV	XXVI
Bridge: XXIII	Finance & the Family: XXIV	How to Spend It: XXV	XXVI

MARKETS

FINANCE & THE FAMILY: THIS WEEK



Mixed week for Trafalgar House

Trafalgar House, the construction, property, shipping and hotels group, reported a 42 per cent fall in profits this week - but the share price actually rose when investors discovered that the company would not be cutting its final dividend.

Pre-tax profits fell from £270.4m to £155.7m for the year to the end of September. Trafalgar House made a provision of £95m against falling property values in the UK and US. However, the share price climbed from 174p to 188p as the group said it would maintain its final dividend at 9.6p, giving a total dividend of 18.4p for the year.

This is slightly more than that paid in 1989, and came as a surprise to many market analysts who had been expecting a cut, largely as a result of the company's exposure in the depressed property sector.

Profits boost lifts Bass

Bass, the UK's largest brewer, reported a 15 per cent increase in pre-tax profits for 1989/90 this week, beating many analysts' predictions. Pre-tax profits rose from £465m to £535m in the year to September 30. The group proposes a final dividend of 22.4p, bringing a total of 32.4p for the year. However, it warned that trading conditions are becoming much tougher.

Power shares swap offer

Robert Fleming is offering a deal for private investors in electricity shares. If you want to sell your shares in any of the 12 regional electricity companies, you can exchange them for shares in any of Fleming's 12 investment trusts. It will cost £7.50 and you must have at least £250 worth of electricity shares to trade in. Details are available from Fleming Investment Trust Management on 071-920-0539.

Japan funds top tables

Japanese smaller company funds had a poor month in November, but they still dominate the five year performance tables from Finstat.

Four of the top six funds are Japanese-based, led by Schroders, which has turned £1,000 into £3,826 over the period. Fidelity European and Baillie Gifford Energy break the Japanese monopoly. In November, however, US smaller company funds made the running.

Over five years, the worst performers are Australian and gold funds.

Best bond buys this week

Best buys among guaranteed annual income bonds this week, according to Baronsworth Investment Services, are as follows:

On one-year bonds, General Portfolio is paying 9.75 per cent for sums between £1,000 and £2,999, while Hambro is paying 10.4 per cent on sums above £3,000.

With three-year bonds, General Portfolio is offering 9.5 per cent on sums of £1,000 to £1,999, and Consolidated Life is paying 10 per cent on sums of £2,000 or more.

Among the companies offering five-year bonds, Premium Life is paying 9.3 per cent on sums of £1,000 to £1,999, M&G is paying 9.5 per cent on £2,000-£4,999, and Allied Dunbar is paying 9.55 per cent on £5,000-£24,999, and 9.75 per cent on sums over £25,000.

New account from RBS

Royal Bank of Scotland is launching a new savings account. The Gold Ninety account is for a minimum of £2,000 and has a 90-day notice requirement.

It pays 9.82 per cent net (13.1 per cent gross) on balances of £2,000-£9,999, 10.31 per cent net (13.75 per cent gross) on balances of £10,000-£24,999, and 10.53 per cent net (14.05 per cent gross) on sums above £25,000.

Tax break for 15m people

David Waller explains just who will benefit from the abolition of Composite Rate Tax, which at present is levied at source on the interest paid on building society and bank deposit accounts. Plus David Lascelles with news of the banks' draft code of practice and Simon London on a proposed shake-up for unit trusts. Page IV

Investment trusts special

Philip Coggan continues our Family & Finance series on investment trusts by asking three analysts which trusts they would recommend to various types of investors. Page V

Minding Your Own Business

Nicholas Lander meets the directors of *Buying Cars* magazine, who have found there is more to success than getting the product right. Jessica Alexander talks to Tom Lowes, who has made the most of his small line of products. Page VI

BRIEFCASE: Transatlantic pension worries: Page V

LONDON

City makes the most of rare ray of sunlight

RECENT British history is beginning to read like the plot of a sentimental Victorian novel.

The much-loved monarch installs the son of a circus performer in Downing Street, while his predecessor is created Dowager Duchess of Dulwich.

Meanwhile threats of war in the furthest reaches of the Empire are dispelled and the nation celebrates by spending its last farthing in support of two Great British Schemes: a tunnel beneath the English Channel and a project to bring Electrical Light & Power to the shores.

Two volumes, bound in co-friendlily leatherette. Provisional title: *The Classless Society* (Illustrations by Phil).

This might make an ideal Christmas present for equity investors. If the one from President Saddam Hussein is not enough to be going on with.

There is plenty left to worry shareholders, but the Iraqi leader may have released equities just in time for Christmas.

Having gagged on the pessimism of the last 10 days the market was happy to swallow a refreshing draught of good news from the Gulf. Oil prices fell and the FT-SE 100 took off on Thursday on the news that hostages would be freed. Footsie closed 24.9 points up on the day, and ended the week 34 points higher at 2,183.4.

That looks about right: it may have been a relatively positive week in diplomatic circles - backed by some solid company results at home - but there is continued scepticism about the real prospect of peace in the Middle East.

Furthermore, the market has not yet absorbed the implications of deadlock in the Uruguay Round of world trade negotiations, and UK economic statistics suggest an interest-

rate cut may be further away than most investors hope.

So a false dawn, perhaps - or at worst, a last ray of sunshine before the darkness - but no less bright for all that.

That sun has shone on Alastair Morton and John Wakeham in recent weeks. Morton, pugnacious chief executive of Eurotunnel, has been presiding over a £530m rights issue. More than 84 per cent of the new shares available to registered shareholders - mostly in the UK - were taken up. The group will have to wait for the results of the larger part of the issue, aimed principally at French investors, but after weeks of media and City scepticism, the subscription rate so far has surpassed even advisers' expectations. Eurotunnel's share price has recovered, closing last night up 80p on the week at 378p.

The offer of shares in the 12 regional electricity companies, meanwhile, had apparently attracted more applications than any other privatisation, when it closed on Wednesday. However, the energy secretary Wakeham seems likely to be rewarded for the apparent success of the £5.2bn flotation with the abolition of the payments which he heads. The combination of events will allow critics to describe the UK's next administration, without fear of contradiction, as a government lacking both energy and power.

The latest interim and full-year company results may just serve to remind investors of what trading was like in happier times, but they also offer an opportunity to spot the efficient operators before recessionary gloom descends.

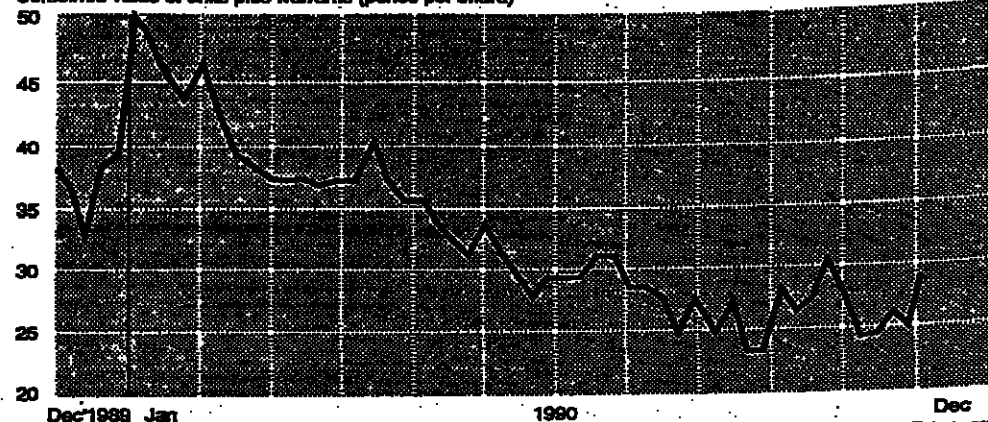
Take the depressed financial sector, for example. Like its rivals, M&G Group is suffering from a sharp slowdown in new business. But Britain's largest unit trust company bucked the trend by not only reporting a 19 per cent increase in annual pre-tax profits on Monday, but pushing up gross income from unit trust-related operations.

Competitors, by contrast, have had to rely on growth in interest income to bolster revenue from ailing fund management activities.

Similarly, Westland looks well-placed to weather any cyclical downturn. It was the controversy over the UK helicopter group's future which

Eurotunnel

Combined value of units plus warrants (pence per share)



precipitated Michael Heseltine's resignation from the cabinet in 1986. Heseltine's return to the government front-bench coincided with proof of the revival in Westland's fortunes. On Monday the company increased its dividend for the first time since payments resumed three years ago and reported a 27 per cent increase in annual profits.

Meanwhile Grand Metropolitan, the food, drinks and retailing group, said it had offset the downturn by increasing marketing and advertising. That may be little consolation to Satchi & Satchi - the ad agency announced increased losses of £98.2m for the year to September 30 - but it helped GrandMet to post an annual profit of 25.5 per cent from £72m to £91m before tax.

When recession reduces weaker companies to carcasses, the vultures begin to circle, among them, inevitably, industrial conglomerates such as Hanson and BTR.

Hanson, with more than £500m of net cash on its balance sheet (a staggering 26.9m before paying off its debts), made its position clear on Thursday. In a move to fend off the pinch in building materials operations, the group announced another record year of profits - up 21 per cent to £1.23bn before tax, which makes Hanson the sixth largest profit-earner on the UK stock market. Lord Hanson,

the chairman, suggested the conglomerate was ready to snap up smaller and weaker fry as conditions deteriorated.

His views about the acquisition opportunities created during bad times are shared by John Cahill, BTR's chief executive, but Cahill is emerging this week, will not be around to take advantage of the buyers' market. BTR surprised the City on Monday by announcing he was going to step down as chief executive in the New Year.

The silver lining to the downturn may have less lustre for the likes of General Electric Company and Trafalgar House, the construction, property, shipping and hotels group. Both companies announced lower profits (interim and final, respectively) and unchanged dividends on Tuesday, provoking sharply different market reactions. Trafalgar's share price rose (analysts had expected a cut in the final payout), GEC's fell (historically, the group has always tried to increase its dividend).

Cutting or maintaining dividends at least suggests a new note of caution at British companies, some of which had begun to look generous to the point of profligacy. In this economic climate, increased dividends paid out of decreased profits could prove costly hostages to fortune.

Andrew Hill

WALL STREET

A bear hug from Ma Bell

NCR confirmed Wall Street's conviction that a takeover of NCR is now inevitable, at the right price. Even Exley admitted later in the week that his \$125 a share demand means that "obviously there is a price where we would have to say yes".

A few minutes after the NCR statement on Wednesday, AT&T pulled the trigger on a hostile cash tender offer at \$90.

The price of NCR stock, which had closed at \$66.75, jumped to \$91.10, then shot above the \$91 level, representing a 60 per cent leap on the week.

There may be doubts about the strategic logic of the deal and AT&T's quest for NCR may illustrate the telecoms giant's failure in the computer business - it has lost nearly \$2bn since entering the sector in 1984 - but that does not change the fact that Ma Bell now seems ultimately set to incorporate NCR.

Under a three-party bidder steps in, or NCR cobbles together a management buy-out, both of which seem dubious propositions, AT&T will probably win. The victory could come either by way of a knock-down fight that will take a few months or, as seems more likely, through a private

negotiation in the next few weeks that boosts the offer price up to \$100 a share or more, in cash, stock or a blend of the two.

The rest of Wall Street activity was influenced by the now customary twin themes of recession and Iraq. Although the Dow Jones index was 22.28 higher on the week at 2,581.93, there were bigger fluctuations during trading. On Tuesday, for example, the market was pleased by the Federal Reserve's easing of reserve requirements for banks in response to the credit crunch and proceeded to mark bank share prices higher all week. Investors were even more enthused by rumours on Tuesday afternoon that Iraq had agreed to withdraw from Kuwait (this caused a 40-point Dow turnaround in just half an hour).

The prospect of averting war continued to prime the market on Wednesday, as the price of crude oil dropped by more than \$3 a barrel and the Dow jumped by 31 points in some of the heaviest trading volume (206m shares) seen since the summer.

Yesterday, the November employment report showed a far deeper cut in the US labour market than had been expected as non-farm payrolls fell 267,000 in the month, or more than treble the consensus estimate of a 70,000 decline. This led Janet Norwood, a top adviser of labour official, to opine that "the labour market is acting

as though it is in a recession... I think we are in trouble".

Norwood's remarks were the most candid yet to come from the Treasury since the start of the Christmas season; the airline sector watched Continental Airlines plunge into bankruptcy; and John Reed, the chairman of Citicorp, predicted higher commercial real estate loan losses in coming months. Add into the equation the extent to which the Japanese are siphoning cash out of US equity and bond markets to smooth their own banking crisis, and the outlook worsens.

Yesterday morning, while the benchmark 30-year US Treasury bond rallied by more than 100 basis points on the unemployment news and the Fed's latest easing on interest rates, the Dow slipped by 15 points in a volatile session.

None of the above precludes the almost certain mega-rally that would follow any back-room peace deal between Saddam Hussein and Jim Baker, the deal-oriented US secretary of state. Yet even a year-end Wall Street celebration of an Iraqi withdrawal from Kuwait, were it to happen, would still leave the gloomy fundamentals of the US economy unchanged. There is no quick fix for what ails America.

Alan Friedman

Smaller Companies

Mixed fortunes in the war zone

MOST DEFENCE contractors can only offer a very tense and uncertain smile at the effects of the Gulf crisis on their sales.

The rapid change in international temperatures has turned the thaw of Cold War into a heat wave.

With many strategists expecting the current conflict in the Middle East to chip only a little off the "peace dividend", defence contractors are being offered, at best, only a temporary boost. To many, it is a complete irrelevance.

One such company remains surprisingly upbeat, however - at least in public. Jack Renne, chairman of Pacer Systems, a US electronics group, was scurrying around London last week on one of his four visits a year. He considers these trips essential to fulfil his Stock Exchange obligations on the Unlisted Securities Market.

He is confident about future business, despite the fact that 80 per cent of sales is derived from US government defence contracts. He is also stoical about his company's current share price: a humble 45p, and declining steadily since a peak in April 1989 of 255p.

Richard Dyett, an analyst with Henderson Crosthwaite, the company's brokers, says Pacer suffered when its original brokers shut down. He also argues that it has been unfairly lumped together with "just about every other American USM company as a failure".

It has also, no doubt, been caught up by the negative perception of defence stocks in general, while its extraordinary valuation is now so small that it is arguably no longer an institutional stock likely to attract potential investors.

The company's first acquisition in 1986 did not help. Sea Data, a loss-making manufacturer of underwater sensing and recording devices, gave persistently disappointing results and had to be closed down in late 1988.

Last year the group reported pre-tax profits of £688,000. Pacer's business includes computer-based training devices such as flight simulators, war gaming programmes, ship stability systems, and air data systems for helicopters.

The most significant recent damage to revenues came ironically, as a result of the Gulf crisis. A regional airline in North America cancelled an order for a flight simulator after rising fuel prices added considerably to the bottom line.

On military contracts, Renne is relatively sanguine: "The peace dividend has a way of being sucked up". Although there have been procurement cuts over the past few years, he believes that the size is now more likely to fall

on personnel. "But if the money drifts, we'll try to get it."

It is difficult to draw comparisons between Pacer and other companies. There are few true equivalents based in the UK, which are mostly small, publicly quoted specialists in defence work of any kind, let alone electronics.

Many have been gobbled up by acquisition. "Defence electronics boils down to GEC ... that's it," says one analyst. Those that do remain are not looking too healthy.

FR Group, for example, is an aviation products group based in Devon which makes in-flight air refuelling equipment. Other services include war game simulations for the British armed forces. In fact, 65 per cent of sales are to the defence industry.

In late October, it reported interim pre-tax profits down 9 per cent to £10.3m. Full year profits to December 31 1989 were flat compared with the previous year, at £22.6m.

"If you are in the right areas, there will be a continuing and a profitable need for defence products," says Giles Irwin, finance director at the time.

Investors seem less convinced: from a high of 238p at the beginning of the year, and nudged further by a profits warning in February, the company's share price plummeted to around 102p last week.

ML Holdings, an aerospace and component distribution company, managed to increase profits on static turnover of £113m in the last full year, but declared an extraordinary charge of £3.14m to reorganise its defence division.

The chairman argued that the diminished threat from eastern Europe caused the company to cut back in anticipation of lower demand. "The defence market... [is] the largest segment of our business," according to the 1989 annual report.

Keith Hodgkinson, a corporate finance specialist with Shearson Lehman, the merchant bank, says the UK defence contractors in many niches is bleak, at least in the medium term.

"JP 233 airfield cratering weapons orders will soon dry up," he says.

In avionics, production on the Tornados will rise in early 1992, while subcontracting on the Hawk aircraft will require far less sophisticated work. There are even some doubts about the next "gravy train" - the European Fighter Aircraft, due to begin work in the mid-1990s.

"It will be very tough over the next three years," he says. "Most companies have failed to estimate the size of the gap and how far they will be exposed."

Andrew Jack

Company Profile

GEC's transformation fails to quell doubts

GENERAL Electric Company, one of Britain's best known industrial groups, added to the prevailing air of economic gloom this week by failing to increase its interim dividend and indicating that it would be shedding around 13,000 jobs during the current financial year.

The news threw further doubt on the success of a series of deals which transformed GEC in the late 1980s.

First, there was a joint bid with Siemens for Plessey, which, after an investigation by the Monopolies and Mergers Commission, was eventually successful.

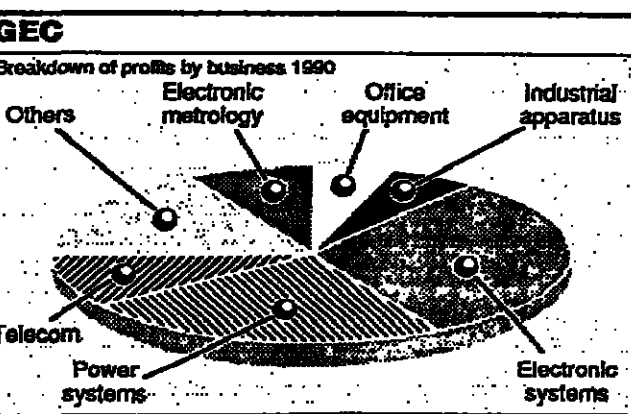
Then, GEC announced a number of joint ventures with General Electric of the US in consumer appliances, electronics, electrical distribution and power systems. Apart from bringing in £325m in cash, these deals enabled Lord Weinstock, GEC's managing director, to knock GE out of a planned counter-bid consortium that Plessey was attempting to assemble.

The GEC-GE link-up in power systems was in fact part of a larger joint venture with Alstom, the power engineering arm of French group Compagnie Générale d'Electricité.

Then, in January last year, GEC acquired the radar division of Ferranti, the electronics group which had been shattered by problems at its US subsidiary, International Signal.

What made this frenzied activity all the more startling was that the general impression the market formed of GEC during the 1980s was that of a sleepy company which was unwilling to part with its cash mountain.

The group's shares, having reached a peak of 948p in September 1989 on the back of the Thatcher-Reagan rearmament, went nowhere for most of the rest of the decade.



GEC - PRE-TAX PROFITS AND EARNINGS PER SHARE

	1986	1987	1988	1989	1990
Pre-tax profits (£m)	701	668	708	797	872
Eps (p)	16.0	15.8	16.9	19.1	20.2

Figures are for year to March 31

The biggest worry is defence, the one main area where the company has not subsumed its interests in a joint venture. "The breakdown in the Cold War means that the defence

outlook is simply awful," according to Mark Lambert, electronics analyst at County NatWest. Increased military activity in the Gulf may provide just a short-term refuge

against a long-term decline in demand.

Many of the other areas in which GEC operates are prone to the effects of the UK recession and the gradual slowdown in several of the world's main economies. For example, the main customer of GFT, the telecommunications company jointly owned by GEC and Siemens, is British Telecom, which has been sharply slowing down its capital expenditure.

However, the joint venture strategy may have left GEC stronger to face any recession. In fact, the company's rationale for the ventures was that the group was too small in several key product areas to survive on its own in world markets.

"The series of joint ventures will not alter the negative nature of the markets they operate in, but it will protect their position in some markets and the Alstom link has actually improved the outlook," says Lambert. That is because Alstom brought to the deal a

large order book (on which GEC hopes to improve margins) whereas UK power station building has not been the expected bonanza.

Another deal which looks canny in retrospect is the sale of 50 per cent of the consumer goods business to GE. GEC received a very good price for the stake - and both demand and profits have been under pressure ever since.

Some of the other omens have not been so good, however. Investors may have been initially pleased that GEC finally spent part of its cash pile, but the purchase of Plessey and Ferranti's radar has so far diluted earnings.

To be fair, it will take many years for the markets to discover whether Lord Weinstock has assembled one of the world's leading industrial groups or simply a dog's breakfast. While investors wait for the outcome, GEC shares look unlikely to be spectacular performers.

Philip Coggan

Devisico 1500

FINANCE & THE FAMILY

The latest scheme to encourage tax-efficient saving is about to take off. Sara Webb reports

Muted welcome for the allure of Tessa

TESSA ought to be the best-known name in personal finance. She is John Major's baby - a tax-efficient means of saving for the man and woman in the street.

Yet it seems few people know about her. According to research by NatWest, only 33 per cent of those questioned had heard of Tessa, and 86 per cent of those told about Tessa thought that the introduction of this new savings scheme would make no difference to the amount they put aside.

So what do you need to know about Tessa? Here is a beginner's guide.

What is a Tessa? Tessa stands for Tax Exempt Special Savings Account. It was devised by John Major, when he was Chancellor, and introduced in the 1990 Budget with a view to encouraging small investors to save their money in a tax-efficient way. It is estimated that Tessa could attract some £50bn in savings in the first year alone.

The scheme comes into force on January 1 1991. Anyone over the age of 18 can open a Tessa, which runs for five years. After the five years are up, you can open another Tessa, but you cannot keep two or more running simultaneously, nor can you open a joint Tessa account, say with your husband or wife.

How much money can I put into a Tessa? You can save up to £3,000 in a Tessa. However, you cannot put in all the money at once: you may save up to £3,000 in

the first year and up to £1,800 in each of the subsequent four years until you reach a total of £3,000.

However, it is widely assumed that the government will raise the limits on Tessa, perhaps as early as the next Budget, if there are signs that the scheme is helping to raise the savings ratio.

Do I receive any interest tax-free immediately? No. In order to receive your interest tax-free you must keep your savings locked up for the full five years. However, you are allowed to withdraw interest from the Tessa if you need it. If you withdraw interest within the five-year period, it will be paid to you NET of basic rate tax. Then after the full five years are up, you will be entitled to the remaining interest. Some plan managers will allow quarterly withdrawals. Others will operate a system where you can put money in whenever you please. You may find that the same bank or building society runs two different kinds of scheme, in which case you are more likely to get a higher rate

Because of the pound's membership of the Exchange Rate Mechanism, the government may be forced to raise interest rates to defend the currency. However, the City consensus is that interest rates could fall in the next year.

What if I need to eat into my savings before the five years are up?

You will be penalised. Your Tessa will be disqualified and you will not receive the interest accrued up to that date tax-free. In fact you could be worse off than if you had put your money into an ordinary taxable account, so check the competing interest rates.

Do I need to pay in a lump sum, or can I use a regular savings scheme? Some banks and building societies will be offering lump sum schemes, where it makes sense to put as much as you can into the Tessa. Others will operate schemes where you can put amounts in whenever you please. You may find that the same bank or building society runs two different kinds of scheme, in which case you are more likely to get a higher rate



of interest on the lump sum scheme. This is because the banks and building societies are keen to attract lots of money as soon as Tessa comes into force. Can I transfer my money from one Tessa to another? Yes, and you may want to if you find that another building society or bank is offering a better rate. However, beware of the penalties. Banks and building societies may have a transfer charge in the region of £10 to £100 if you leave them, or you may lose, say, 90 days' interest on transferring your money to another Tessa. Obviously, managers are keen to

keep hold of the money and discourage savers from shunning their funds around.

Do I have to start on January 1?

No, but if you want to take full advantage of the tax exemption it makes sense to start looking soon. Some of the banks and building societies are offering bonuses to those who sign up early, and these can be worth as much as one or two percentage points on top of the interest rate in the first year of the Tessa.

What are the pitfalls? Bear in mind the penalties for withdrawing your money early. Also, remember that

inflation, currently at 10.5 per cent but expected to fall, will eat into the real value of your capital.

Where can I find out more about Tessa and who runs them?

In the run-up to January 1, many banks and building societies will be announcing more details. It seems likely that most of the big building societies will offer Tessa and it will prove a very competitive area as the societies and banks scramble for your savings. Information on who has already announced details of Tessa is provided in the accompanying article.

Small shares for power applicants

PEOPLE WHO made large applications in the share offer for the 12 regional electricity companies, which closed on Wednesday, may as well reconcile themselves this weekend to getting just a fraction of the amount they requested.

Details of the basis on which shares are being allocated will be announced on Monday and laid out in advertisements in national newspapers on Tuesday, ahead of the start of stock market dealings that afternoon.

Latest estimates are public applications could have reached 12m, demanding big scaling down.

However, the vast majority of applicants requested only a few hundred shares in their local company. They should get most of them. All applicants will be wondering whether to hold the shares or make a quick sale.

The real value of the shares, especially for the investor who is also a customer, lies in holding them at least until the second payment becomes due next October. By then you will have received your electricity bill vouchers, if you opted for that kind of incentive, and dividend payment.

Nevertheless, there will be many who have applied for the short-term capital gain -

which looks likely to be substantial. Yesterday, I.G. Index, the financial bookmaker which makes a form of advanced market in the shares, quoted an average premium of 36p to the 100p partly-paid price.

That is the betting on the closing prices on Tuesday. But what matters for most people is how the shares behave over the following weeks, as share certificates will not start to be sent out until December 19.

You may know a broker who will sell your shares for you, without evidence of ownership, or you may have applied through the handful of banks and brokers that agreed to make an early sale.

If you did the latter, you at least have the comfort that your form will have been checked for errors. But if you made the application on your own, you need to be completely confident you made no mistakes.

If you sell shares you do not own, you will have buy them in the market to settle the deal, which could prove expensive.

So the prudent course is to wait. You can comfort yourself with the thought that in previous privatisations people did not lose out by having to do this.

Clare Pearson

Shop around for best rates

SEVERAL BANKS and building societies have announced details of Tessa or similar schemes to launch such plans. Here is a round-up of the schemes on offer.

■ Lloyds Bank is paying 13.5 per cent tax-free, although the rate is variable. If you open a Tessa before February 28, you will receive a 1 per cent bonus on the deposit up to December 31 1991.

You can make lump sum or monthly payments, and there will be a penalty of 2 per cent if you close or transfer your money out of the Tessa in the first year. Thereafter the penalty is 1 per cent or a minimum of £25.

The first 25,000 savers who apply to put £3,000 into the Lloyds Tessa will receive an extra 2 per cent bonus. This means committing £3,000 to the Tessa for the first year and putting the additional £5,000 goes into a feeder account which pays the same rate of

Society is offering two Tessas. The Spa Tessa will offer a 3 per cent bonus on the first year's contribution provided that the full £3,000 has been invested by the end of the five-year period. The rate will be announced in late December. No notice or penalties will be applied if you transfer to another Tessa. There is a minimum initial investment of £1,000.

The Spa Guaranteed Tessa bond, offered in conjunction with American Life Insurance Company, also has a 3 per cent bonus. This is a Tessa funded by an ALICO guaranteed bond. You pay an initial lump sum of less than £3,000, which is split as follows: £3,000 goes into the Tessa and the remainder goes into the guaranteed bond which in turn feeds into the Tessa in subsequent years to provide a fully-funded £3,000 Tessa by the end of five years, plus tax-free interest.

Basic rate taxpayers pay no tax on the bond, but higher rate taxpayers should be aware that the profit earned from the bond will be liable to tax of 15 per cent before it is fed into the Tessa.

■ Birmingham Midshires Building Society is offering a 1 per cent bonus on the first year's savings if you open a Tessa before March 31. The bonus will be added on the first anniversary of the account. Rates to be announced later.

■ Cheltenham & Gloucester Building Society is offering two Tessas. With a Maxi-Tessa, the maximum amount of money allowed is automatically transferred from a C&G account into the Tessa. It will pay interest at the same rate as the parent account - 15.25 per cent tax-free if it is linked to a London share account, and up to 13.67 per cent tax free if linked to a Cheltenham Gold account.

With a Flexi-Tessa, you can make irregular payments into the Tessa. There is a variable interest rate, currently set at 12 per cent, and information is available on 0800-717505.

■ Bristol & West Building Society is offering a bonus of £500 if you transfer money from a Special Bonus account into its Bonus Tessa account before March 1 and leave capital and interest intact for the full five years. There is a bonus of £200 on investments of between £5,000 and £8,999, but no bonus if you put less than £5,000 into the account.

Interest rates on the Tessa will be scaled: 12.5 per cent on sums of £3,000 or more, 11.5 per cent on £500-£2,999, and 7.5 per cent on savings up to £499.

■ Britannia Building Society is offering a five-year fixed rate of 12.25 per cent. However, you have to make a single lump sum investment of £5,150 initially. This is paid into a "feeder" account, which transfers the appropriate amounts into the Tessa each year. Interest on the feeder account is also 12.25 per cent but is liable to tax. Britannia guarantees that a lump sum investment of £5,150 will produce a minimum return of £14,000 after five years, assuming basic rate tax stays at 25 per cent.

Sara Webb looks at the latest plans for Tessa accounts

Interest as the Tessa (ie 15.5 per cent) although this is liable to tax. Lloyds is running a helpline on Tessa: 0222-728716.

■ NatWest will soon announce details. It will pay a variable interest rate, with a bonus and no charge for early closure or transfer elsewhere.

■ Barclays is due to announce details of its Tessa soon, but says it will allow a minimum saving of £25 a month. It is running a Tessa helpline on 0800-400164, which is open 8am-10pm (Monday to Friday) and 9am-5pm on Saturdays.

■ Midland is offering a choice of lump sum or regular monthly savings. The minimum for monthly savings is £10, and for lump sums £100.

■ Confederation Life Insurance Company has launched a Tessa Life Plan, combining a Tessa with life cover in the event of death before the full five years are up. The interest rate is 12.25 per cent.

■ Save & Prosper/Robert Fleming's Tessa Plus will pay quarterly income and accept a minimum of £500 per annum. Those who apply before January 7 will be entitled to a 1 per cent extra interest on their initial deposits for the first year. The rate will be announced later.

■ Bank of Scotland is offering interest of 13 per cent to customers who open an account before February 28. If you keep your Tessa with Bank of Scotland for all five years, you are entitled to a loyalty bonus in year five of an additional 0.5 per cent interest.

■ Chelsea Building Society is offering 15 per cent tax-free with a 2 per cent bonus on the first year's savings, also tax-free, which will be added to the account at the end of the five years provided you open the Tessa before March 31 1991. The interest rate is variable.

■ Leamington Spa Building

If you have money to invest: you have a problem.

Our business is investing money. ■ That, and providing financial advice, is all we do. ■ Today, we invest and advise upon some £4 billion on behalf of individuals and financial institutions. Our investment record stands as testimony to our effectiveness. ■ We are distinct among today's investment houses in being genuinely interested in acting for private clients as well as corporate bodies. ■ We bring to private investors the same benefits that are offered to institutional investors. ■ This focus on the individual will continue. ■ More and more people have money to invest. ■ The problem is how to select between the wide, and often confusing, range of services that are increasingly being advertised. ■ Do you need a specialist investment house? ■ If so, which? ■ In the future, this problem is likely to grow, rather than to lessen. Why? ■ Because, the amount of money that private individuals have is set to grow very considerably - from legacies, pension fund payments, insurances and the value of private property. ■ Finding an investment partner, therefore matters, and matters a great deal. ■ What is more, if very much is a question of trust. ■ At stake is your financial welfare, and that of those for whom you are responsible. ■ That is the way we at Capel-Cure Myers look at managing your money. ■ We also understand that trust, like well-managed money, is something that grows. ■ If you feel that what we have written strikes a chord, we would be happy to talk.

You can telephone John Kennett on 071-488 0707 or simply fill in the coupon.

The value of investments and the income derived from them can go down as well as up.



CAPEL-CURE MYERS
CAPITAL MANAGEMENT

DEDICATED TO THE MANAGEMENT OF MONEY

To John Kennett, Capel-Cure Myers Capital Management Limited,
The Registry, Royal Mint Court, London, EC3N 4EY.

Name _____
Address _____
Postcode _____ Daytime Telephone _____

Capel-Cure Myers Capital Management Limited, Registered Office: The Registry, Royal Mint Court, London, EC3N 4EY.
Member of The Securities Association and the International Stock Exchange.

FINANCE & THE FAMILY

David Waller explains who will gain from the abolition of CRT
Tax change will benefit 15m

UP TO 15m people could stand to benefit from the abolition of composite rate tax. Are you one of these people? If so, do you know what to do?

The Inland Revenue has been pondering the implications of the abolition of the tax since it was announced in John Major's first - and last - Budget in March this year.

This week, they issued an explanatory leaflet which will be followed up over the next few months with a national advertising campaign and in January the leaflet will be delivered to every household in the land.

Composite Rate Tax (CRT) is at present levied at source from the interest paid on building society and bank deposit accounts. The tax is set at 21.75 per cent and at the moment cannot be reclaimed even if the account holder's total income falls under the liability threshold for income tax at the basic rate of 25 per cent.

Under the new regime, which takes effect for interest

received after April 5 next year, you will, under certain circumstances, be able to ask for the interest to be paid gross.

To get the special treatment, you have to fill in a form (available from banks, building societies, post offices and tax offices) which certifies that you are entitled to get a gross payment. This has to be submitted to the institution you are saving with.

Those people who will be able to receive their interest without tax deductions include:

- Children with total income, including interest, of less than £3,005 for the year from April 6 next year. Parents or guardians have to register on the child's behalf and special rules apply to those children who receive interest of £100 or more on savings accounts.
- Students with total income of less than £3,005, not including student grant or loans.
- In the case of pensioners, the rules differ according to

whether you are under or over 65, and whether you are single, married, male or female. A male, married pensioner under 65 will be able to have income of £4,725 and qualify for the special treatment; the threshold for a widow or widower over the age of 65 is £3,870.

The threshold for single adults will be £3,005; for a married man, £4,725; for a single woman, £4,725; for a married woman, £3,005; for a widow or widower, £3,005.

To work out your taxable income, you need to add up your pensions; state benefits (such as sick pay, unemployment benefit, maternity pay, all taxable); earnings, from a job or self-employment; interest, plus dividends and any other income, for example rent paid by a lodger.

If you have a joint account, and you both fall under the income threshold, you must both fill in a form and all the interest will be paid gross. If only one of you expects not to be liable to tax, you will prob-

ably be able to receive half the income payable on the account without a deduction for tax.

If you miss the deadline for registration, you will have tax deducted at the rate of 25 per cent on your interest for the whole of 1991-92. You will be able to reclaim the tax, but only in the following tax year. If you find that you were only just liable to income tax, you may be able to reclaim some of the tax deducted.

All you have to do is to find out whether you are one of the 15m, then hand in the form to the bank or building society, and they will do the rest.

The Inland Revenue will be auditing a sample of the forms to see whether your self-certification is in good faith: it is a serious offence to make a false declaration.

To find out more, get hold of the Inland Revenue's leaflet (IR110) from a bank, post office, building society or tax office. Or wait until next month when one ought to drop through your front door.

NEXT YEAR will see revolutionary changes in the kinds of authorised unit trusts available in the UK. If draft regulations unveiled last week by the Securities and Investments Board pass into law.

The main thrust of the proposals is to give investors access to the volatile futures, options and warrants markets through fully-regulated unit trusts. While a number of off-shore futures and options funds are marketed in the UK, funds authorised by the SIB are currently restricted in their use of derivative financial instruments.

The SIB has proposed four new categories of authorised unit trusts: lower-risk futures and options funds (FOFs); higher-risk or "geared" futures and options funds (GFOFs); warrant funds; and property funds.

Under the current SIB rules, authorised unit trusts are restricted to using these derivative financial products for "efficient portfolio management". In practice, this is usually taken to mean that they can only use futures and options to hedge existing holdings of stock, rather than the aim of making trading profits.

However, the SIB accepts that more adventurous GFOFs will be substantially more risky. For this reason, they will be sold under strict guidelines

Riskier future for unit trusts

FOFs will face the same strict borrowing restrictions that apply to existing securities schemes - that borrowings can not exceed 10 per cent of the fund. Moreover, derivatives transactions undertaken by FOFs must be fully covered by cash or liquid securities.

Many of the authorised FOFs launched under the regulations will probably follow the "90/10"

strategy, where 90 per cent of the fund is held in cash and 10 per cent is invested in futures and options and the underlying securities.

However, the SIB accepts that more adventurous GFOFs will be substantially more risky. For this reason, they will be sold under strict guidelines

contracts under the SIB proposals. For example, no more than 2 per cent of the value of the fund can be invested in any single futures or options contract.

New authorised warrant funds will fall under the same tight marketing rules applying to GFOFs, and for good reason. Under the SIB proposals, up to 100 per cent of the scheme can be invested in warrants, so exposure to these volatile instruments can be great.

Authorised property funds will be able to invest between 20 per cent and 80 per cent of their value in land and buildings and in property-related shares under the new rules.

The so-called property funds now available specialise in property shares only. But direct exposure to real estate opens up problems of asset valuation, particularly in falling market conditions. The SIB has attempted to address these issues by demanding that valuations of land and property should be carried out monthly by a standing independent valuer, who is independent of both the fund manager and the trustee.

The SIB invites comments on its proposals by February 24, after which regulations will be passed to the Secretary of State for Trade and Industry for approval.

Simon London on plans to open up the derivatives market

strategy, where 90 per cent of the fund is held in cash and 10 per cent is invested in futures and options and the underlying securities.

David Lascelles examines proposals to clarify customers' rights
Banks draft code of practice

THE UK BANKING industry rounded on its critics this week by producing a draft for a new code of banking practice which it hopes will clarify once and for all the rights - but also the duties - of customers.

The code is still in the consultation stage, so if you ever have had reason to complain about banking service, this is your chance to make yourself heard.

The code's 23 clauses set out "best banking practice" in a number of areas which have sparked controversy, like the marketing of credit, customers' rights to confidentiality, charging methods and use of plastic cards.

Once adopted, the code will become a reference point for any disputes with lenders or card issuers, which means not just banks but also building societies and high street stores.

For example, the code stipulates how banks will charge interest on loans, how they will levy charges, and how they will handle complaints. It states the customer's right to confidentiality, but also the

circumstances in which banks may have to breach it, as when a court order has been issued or a customer has failed to repay a loan.

There are also details on how banks deal without-date cheques and foreign exchange. The most topical section commits the banks to show restraint in marketing credit, particularly to young people, and to avoid the indiscriminate use of direct mail.

This is a response to criticisms levelled against the banks earlier this year by the Prime Minister John Major while still Chancellor of the Exchequer over the banks' high-pressure loan marketing tactics.

The second half of the code is almost entirely taken up by plastic card matters. The most significant proposal is a limit of £50 on customers' liability on lost or stolen cards. At the moment, practices vary widely among banks: some already have a £50 limit, others charge their customers for all losses until a card has been stopped.

The debate over the code will centre on whether it goes far enough. Sir George Blunden, the former deputy governor of the Bank of England, who chaired the drafting committee, said he expected people to find it disappointing because it said little that was new.

The initial reaction was that the committee's sympathies lay too far towards the banking side. For example, it rejected



government proposals that customers be warned in advance what their quarterly bank charges were going to be. It also dismissed as potentially confusing a proposal that bank statements differentiate between cheques that had been cleared and those which had not.

The big question, however, is whether the code's strictures against high pressure loan marketing will be strong enough. The relevant clause only says that banks "will act responsibly and prudently in marketing and advertising" and "particular attention will be paid to applications from young people for credit with the aim of preventing them from over-committing themselves."

Consultation on the draft will continue until March 1, and banks expect to start adopting it in the middle of next year.

Copies of the draft are available from the British Bankers Association, 10, Leadenhall Street, London EC3V 9AP, to whom comments should also be sent.

Fair play for pension rights

IMPERIAL Tobacco pensioners, in their David and Goliath struggle with Hanson, won an important victory and possibly a useful ally when the vice-chancellor of the Supreme Court, Sir Nicolas Browne-Wilkinson, gave his full judgment on Monday concerning the dispute over pension increases.

While Sir Nicolas stated that the ultimate decision on pension increases, or any other changes in pension scheme operations, rests with the company, they have to make those decisions in good faith towards the members and pensioners. Indeed, his judgment was critical of various actions taken by Imperial Tobacco.

Briefly, he has laid down the principle that employers cannot ride rough-shod over employees and pensioners in making changes to the scheme. Sir Nicolas has effectively stopped the company switching pensioners from their existing scheme to a new one. He has also ensured that the company does not put a low ceiling on pension increases without good reason.

However, as yet, he has not secured the pensioners' ultimate goal of a share in the company's profits. He has left open the possibility that employers can receive their full pension with guaranteed pension increases; and not to be troubled in the future by other upheavals.

The management committee is meeting the company on Monday to discuss a new set of proposals. It appears that the

management committee has put forward certain proposals that conform to the "good faith" principle, but those proposals are being watered down by the company.

Pensioners are already experiencing problems over last month's increase. The management committee wanted to pay the full inflationary increase of 9.8 per cent, but the company would only allow an immediate 5 per cent increase, with the balance paid when the changes have been completed.

The management committee also wanted to pay pension increases up to a 15 per cent guaranteed ceiling without any reduction in the immediate pension. However, the management would only allow a guaranteed 10 per cent. If pensioners want a guaranteed increase of 15 per cent per year in future, they must first agree to take a cut in the immediate pension.

It also appears that while pensioners will be able to stay in their present scheme, it will be open to new employees within Imperial Tobacco or other participating companies. But whatever the outcome, the Imperial Tobacco pensioners have shown that they can take a mighty employer to court and win - a timely example, as many companies are currently reviewing their pension arrangements.

Eric Short

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Shares	Value	No of directors
SALES			
Asac British Ports	34,000	67	1
ASW	20,000	42	1
Cable & Wireless	3,420	14	1
Cater Allen	4,945	19	1
Daks Simpson	1,000	19	1
Greggs	20,000	88	1
Hambros	76,283	206	1
Harland & Wolff	10,000	50	1
Merrydown Wine	9,000	45	1
MTT Group	50,000	68	1
Pearson	15,000	99	1
Pentos	100,000	113	1
Renishaw	150,000	420	1
Tarmac	10,000	20	1
Travis Perkins	10,000	20	2
Unilever	3,510	23	1
Warburg (SG)	55,000	179	1
Walmouths	5,110	19	1
PURCHASES			
Acis Group	255,000	38	6
Bunzl	30,000	20	1
Davy Corp	55,000	47	5
Electrocomponents	10,000	19	1
Expi Co Louisiana	25,000	23	1
Forst (John)	32,500	10	4
Guidesouth Group	150,000	2	2
Maxwell Comm	10,000	18	1
Strong & Fisher	148,334	30	3
Warburg (SG)	55,000	54	1
Whitegate Leisure	400,000	48	1

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (1/100 subsequently sold, with a value over £10,000, information released by the Stock Exchange 26-30 November 1990, 1990).

Source: Directors Ltd, Edinburgh

DIRECTORS' TRANSACTIONS

IN LAST WEEK'S column we reported that three directors of Davy Corporation had been buying, following poor interim results, at prices around 65p. Five more directors have subsequently bought stock, in one instance paying £100 a share.

The engineering sector was the most heavily bought area of the market last month with 30 directors buying their own stock and only one selling.

The restructuring of Strong & Fisher, the leather company, has resulted in Hillsdown owning 60 per cent of the group. Three Strong & Fisher directors have acquired stock at prices between 14p and 18.5p, with four directors of

Hillsdown also buying shares in Strong & Fisher, paying up to 21p for 158,000 shares. The agency sector has performed disastrously over the last three years with directors now beginning to pick up stock in many of the smaller companies. A case in point is Acis Group which has fallen from a high of over 80p this year to 12p. Six directors have recently purchased stock, although in relation to their substantial holdings the amounts are small.

Sales at the moment tend to be for one-off reasons, or involve only a small proportion of the director's holdings.

Angus Macdonald, Directors, Edinburgh

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company	Value of bid per share	Market price	Value of bid per share	Value of bid per share	Bidder
Autos Distinction	10	14	15	2.50	Cargo Waverley Cameron
BTS	10	14	15	2.50	Cargo Waverley Cameron
Birmingham Mint	85	83	80	12.19	BNP
Capital Leasing	144	141	118.5	112.47	BNP
Carroll (P.J.)	1/100	1/150	1/125	1/125	Redmans Int.
Colony	100	178	128	16.5	Glencon
Davies & Mott Orl.	275	271	270	13.46	Thyssen Ind.
Davies & Mott A.I.	265	261	250	4.85	Thyssen Ind.
Fesco	300	298	285	11.00	Burnish Control
Kash-Teknik	68	68	68	11.00	Telecom
McLaughlin/Harvey	135	154	130	7.47	TBF Thompson
PML Group	19	18	16	3.50	Rapallo
Prest (B.)	112	113	90	44.9	Int. Marine
STC	327	327	320	1.00	Telecom
Xtra-Vision	1/5	1/5	1/7	1/4.64	Cambridge Group

*All cash offer. †Cash alternative. ‡For capital not already held. ††Unconditional. ‡‡Based on 230p price 7/12/90. ††† suspension. †††† shares and cash. †††† Value of 61.3% not already owned. †††† includes offer of 100p cash for each 100p nominal cost, 1990 stock.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000s)	Earnings per share (p)	Dividends per share (p)
Avon Rubber	Sept	10,610	(12,480)	30.8 (42.6)
Bass	Sept	595,000	(465,000)	110 (92.7)
Chilham Radio	Sept	1,290	14.9	11.8 (4.8)
Control Tech.	Sept	7,490	(4,000)	20.0 (16.8)
Dobson Park Ind.	Sept	19,500	(19,200)	11.3 (12.1)
Dandee & London	Oct	2,070	(1,810)	12.2 (10.7)
Edridge Pope	Sept	2,400	1.0	(11.5)
Faber Press	Sept	4,550	(4,670)	34.5 (32.4)
Grand Met.	Sept	1bn	(967,080)	64.1 (55.8)
Holmes & March.	Sept	4,380	(7,670)	18.6 (30.2)
Leeds Group	Sept	4,010	(3,400)	26.2 (22.6)
Leeds North	Sept	33,200	(33,200)	15.9 (15.9)
Lowell VJ	Sept	19,900	(28,000)	24.9 (34.2)
M&G Group	Sept	35,730	(30,000)	9.5 (8.0)
Sasibhi	Sept	82,200	(58,500)	-
Sage Group	Sept	1,730	(1,610)	19.2 (2.6)
Syncom	Sept	2,780	(1,445)	1.0
Tralfair House	Sept	155,700	(270,400)	22.0 (42.8)
Tubular Edging	July	560	(842)	0.7 (1.25)
Tunstall Ind.	Sept	5,100	(3,280)	30.3 (12.6)
United Drug	Sept	2,390	(2,050)	15.9 (13.9)
Westland	Sept	26,200	(20,700)	12.4 (10.7)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000s)	Interim dividends per share (p)
Accl	Sept	2,160	(2,000)
Albrighton	Sept	28	(127)
Alexon Group	Sept	20,550	(9,200)
Allen	Sept	2,560	(2,370)
Allied Colloids	Sept	19,350	(19,200)
Alphacore	Sept	1,210	(2,540)
Anglian Water	Sept	84,400	(28,500)
Anglo United	Sept	1,120	(5,970)
Arden	Sept	453	(302)
Asprey	Sept	11,900	(12,300)
Audco Brothers	Sept	192	(250)
Avesco	Sept	302	(2,830)
Brown & Tawse	Sept	2,200	(3,410)
BTP	Dec	8,320	(8,610)
BTS	Sept	179	(173)
Calfyna	Sept	60	(650)
Cape	Sept	10,020	(8,420)
Caslet	Sept	27	(1,890)
Chamberlain & Hill	Sept	876	(1,010)
Channel Express	Sept	1,660	(795)
Comco Holdings	Sept	109	(1,400)
Control Securities	Sept	13,300	(14,820)
Courts (Furnishers)	Sept	3,650	(3,120)
Cranston Hill	Sept	553	(434)
Crosby James	Sept	185	(2,260)
Crosby James	Sept	185	(2,260)
Douglas (Robert) M	Sept	5,350	(5,260)
Drummond Group	Sept	550	(808)
Edna Group	Sept	300	(2,000)
Europa Minerals	July	576	(1,140)
European Colour	Sept	271	(9)
Evans of Leeds	Sept	3,500	(3,220)
Fleming Int. High	Nov	2,020	(1,708)
General Electric Co.	Sept	342,000	(857,000)
Gibbons Lyons	Sept	729	(702)
Great Universal Sto.	June	182,200	(171,000)
Greene King	Sept	11,020	(9,410)
Hawthorn Leslie	June	4,480	(1,300)
Hi Shops	Sept	1,910	(1,320)
JLI Group	Sept	957	(881)
Kity Little	July	75	(58)
Latham James	Dec	222	(1,800)
Manfield Brewery	Sept	4,500	(4,300)
Marina Developments	Sept	2,180	2,800
Monks Invest Trust	Sept	5,650	(4,090)
Morris Ashby	Sept	439	(643)
Norcross	Sept	9,770	(18,320)
Phoenix Timber	Sept	379	(479)
Pittsington Hill	Sept	103,200	(147,000)
Read Executive	Sept	2,550	(3,910)
Reflux	Oct	1,530	(1,070)
Rolle & Nolan	Aug	661	(517)
Rouillon Securities	Sept	996	(1,200)
Salverson (Christian)	Sept	36,000	(32,000)
Scapa Group	Sept	19,840	(20,070)
Security Archives	Sept	575	(437)
Siebs	Sept	85,300	(80,800)
Shedden Sakers Int.	Sept	1,110	(857)
Sytone	Sept	1,170	(873)
Tams (John) Group	Sept	17	(905)
Tex Holdings	Sept	25,200	(10,100)
Tipton	Sept	428	(179)
Tomorrow Leisure	Sept	1,120	(1,662)
Tops Estates	Sept	78	(1,200)
Viatco Group	Sept	1,230	(1,300)
Wyndham Group	Sept	57,400	(17,400)
Yorkshire Water	Sept	57,400	(17,400)

(Figures in parentheses are for the corresponding period.)
Dividends are shown net of tax, except where otherwise indicated. † = loss. ‡ Figures quoted in Irish pounds & pence. †† Net revenue. ††† Available revenue.

RIGHTS ISSUES

Control Techologies is to raise £2.8m via a one-for-four rights issue 170p.
BPCO is to raise £41.7m via a rights

FAMILY & FINANCE - INVESTMENT TRUSTS SPECIAL

PICKING YOUR way round the 190 or so investment trusts can be a difficult task so the Financial Times asked three leading analysts in the sector for their recommendations. Each selected different trusts for investors with different investment needs.

Lewis Aaron of Barclays de Zoete Wedd thinks that the UK market will outperform other world markets and is therefore recommending trusts with a high UK equity content. "Although Fleming Claverhouse is only a 11 per cent discount, it has been one of the best performing in its sector over the past five years in both income and capital terms," Aaron says. "The income element of the trust looks poised to increase substantially. The very bad forecast of a minimum dividend increase of 11.8 per cent but there appears to be scope to exceed this."

"Another equally good choice would be TR City of London which has an excellent performance record and is 100 per cent invested in the UK."

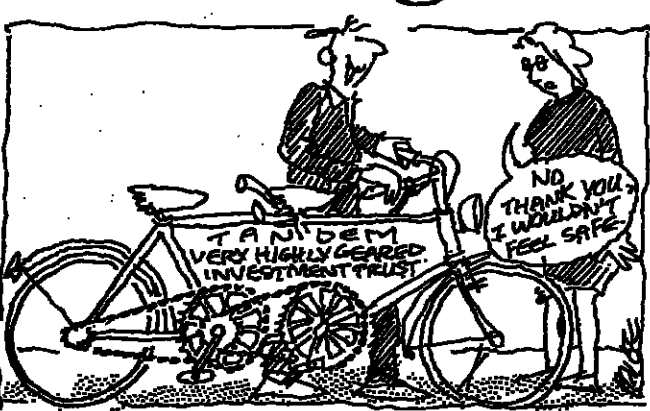
Aaron says that those willing to take a more bullish stance on UK equities should look at capital shares. "In this sector we would recommend River and Mercantile (81 per cent invested in the UK) which has gearing of almost three to one, or, for the really daring, Scottish National, which has gearing of over ten to one. Further falls in the UK market however, the very bad news for these shares."

Longer term, Aaron would look to international trusts for a diversified portfolio and here he recommends Foreign & Colonial "a good all-rounder" and Witan, which has "a good nose for correct asset allocation."

John Korwin-Szymanowski of Warburg Securities, recommends two funds for those seeking income. The first is the

Philip Coggan asked three top analysts for recommendations

A short guide to a long list



income shares of General Consolidated, a split capital trust. The shares have a running yield of 11.7 per cent," says Szymanowski, "and the gross redemption yield is over 15 per cent, assuming 7 per cent income growth between now and redemption in 1997."

The other income share Szymanowski recommends is M & G Dual, yielding 19.5 per cent, although investors could face a capital loss between now and redemption. Those worried about the capital loss could combine Dual with Fleming High Income zero coupon preference shares which currently trade at around 85p and will be redeemed at 117p.

For capital growth, Szymanowski plumps for River & Mercantile Geared capital shares. "These are entitled to

the first 20p of capital on the break-up of the trust," he says. "The trust would only need 27m of assets to repay the capital shares; currently it has 517m worth. "The downside is protected and on the upside, the shares participate in two-thirds of the capital growth," adds Szymanowski.

A high risk bet, for those convinced that the market will rise, would be warrants on the capital shares of River & Mercantile Trust. They entitle the investor to buy shares at 300p, compared with the current net asset value of 127p and are currently trading at 25p to 30p.

For international capital growth, Szymanowski favours Monks and Murray Smaller Markets. Monks is a £300m trust, managed by Baillie Gifford, which he says has an

excellent record on total return and capital growth. Murray Smaller Markets has an interesting geographic spread and a very creditable record."

Robbie Robertson of County NatWest picks Merchants Trust for those interested in income. "Merchants has produced very good assets growth and 50 per cent plus dividend growth over the past five years," he says. On capital growth, he chooses River & Mercantile capital shares which trade on a 30 per cent discount. "Assuming 7.5 per cent assets growth and a narrowing of the discount, the shares offer a return of 15 per cent per annum at current price levels," Robertson says.

Another trust favoured by Robertson is RIT Capital Partners. "This is a split capital trust, amount of liquidity and which is trading on a 25 per cent discount. "The managers have a stake in the company and have complete flexibility to invest," he says.

High risk investors could consider areas of the world which are out of favour. Robertson suggests TR Far East

Income which is trading on a larger than average discount and offering an 8.5 per cent yield. "Ordinary shares in Galore Value Investments, a split level trust, are very highly geared, but offer a running yield of 19 per cent. If the market plunges, the shares could easily lose a large part (or even all) of their capital value, but the rewards may be great if the market recovers."

For those interested in an international trust, Robertson suggests Foreign & Colonial, which has "an exceptionally good long term record of asset growth," Edinburgh says.

For international capital growth, Szymanowski favours Monks and Murray Smaller Markets. Monks is a £300m trust, managed by Baillie Gifford, which he says has an

Funds which suit all tastes

CHOOSING to buy shares in investment trusts is rather like ordering a meal at a Chinese restaurant. There are so many choices and so many categories to choose from.

The first decision to make is which type of trust you want to buy. Do you need income? If you do, there are specialist trusts which invest in UK and overseas high-yielding shares; there are also the income shares of specialist split capital trusts. Or you may decide to pick a particular investment area, such as Japan or smaller companies. There is plenty of choice in each sector.

The following guide to the sectors is based on figures from the Association of Investment Trust Companies. In most cases, the statistics refer to the five and ten years to 31 October, 1990. Performance is normally judged by share price total return, which includes both capital growth and dividend income.

International: General This sector is defined as trusts with less than 80 per cent of their assets in any one geographical area. There are 20 trusts in the sector, and they have produced an average price return of 83.1 per cent over five years and 424.5 per cent over ten years.

The best performer over ten years is Capital Growth, which is Capital Gearing, which was mentioned last week. It is a small trust investing largely in the shares of other investment trusts.

International: Capital Growth The definition of this sector is the same as that for UK: General, except that the trusts' policy is to accretuate capital growth. There are only four trusts in the sector - Berry Starquest, British Empire Securities, Multitrust and New Guinness Securities. Over five years, British Empire has produced a return of 64.4 per cent.

UK: Income Growth There are nine funds in this sector, where trusts have 80 per cent of their assets in UK registered companies and accretuate income growth. Average dividend growth over the last five years was 220 per cent. Over five years, the average share price total return has been 95.1 per cent, and 565.1 per cent over ten years.

The best return over ten years has come from Lowland Investment Trust, which is managed by Henderson Administration. Henderson says it has had a good mix of small to large companies and has gone for good value, rather than out and out growth stocks. However, the trust produced most of its outperformance in the early part of the decade; over the last two years, its concentration on capital goods and

years, they have produced average dividend growth of 142 per cent; the average return has been 82 per cent.

The best performer in the sector has been Securities Trust of Scotland which has produced dividend growth of 182 per cent.

Takeovers have whittled down to nine the number of trusts in this sector, which is defined as funds with 80 per cent of their assets in UK-registered companies. Average total return over five years is 76.5 per cent, and 380.3 per cent over ten years.

The best performer over ten years is Keystone, run by Mercury Asset Management, with a return of 500 per cent. Leonard Licht, a director of the trust, says the success recently has been due to "good quality stocks" with the emphasis on those paying a good dividend. "We missed most of the disasters... no Folly Peck, B&C,

smaller companies has held back its growth.

High Income Trusts in this sector aim to achieve a yield equivalent to 110 per cent of the yield on the FT-A All-Share Index. Although there are 12 trusts it is a fairly new area and the AITC only has figures for one

Shares over a five or ten year period. It has achieved dividend growth of 34 per cent over five years; total return has been 28.9 per cent over the same period and 176.7 per cent over ten years.

North America This sector consists of trusts with 80 per cent of their assets in North America. There are six trusts, but only three have five and ten year records. These have achieved an average total return of 14.6 per cent over five years and 147.5 per cent over ten years. The best performer is Fleming American, with a return of 174.1 per

Australasia There is only one trust in this sector, the New Zealand Trust, which was registered in 1988.

Europe This is another area which has very popular for fund launches in recent years. Only five of the 19 trusts have a five year record and just three have been going for more than ten. The average five and ten year share price total returns are 60 per cent and 411.7 per cent respectively. The top performer over ten years is Foreign & Colonial Eurotrust, with a return of 568.9 per cent.

Commodity & Energy This is another sector with just two trusts and as their names suggest, Precious Metals and North American Gas have completely different fields of specialisation. Precious Metals has produced a return of 25.6 per cent over five years.

Technology Once again, there are only two trusts in this sector, Baillie Gifford Technology and TR Technology. Over five years, the Baillie Gifford Trust has produced a return of 25.8 per cent. Smaller Companies

This is one of the largest sectors, with 22 trusts available, including two launched in the past couple of months. These trusts have a majority of investments in companies with a lower than average market capitalisation. Over five years, the average return has been 54.8 per cent and 307.5 per cent over ten years. Best performer over ten years is ST Andrew Trust, managed by Martin Currie, which has produced a return of 457.5 per cent over the period.

Venture Capital Another substantial sector, with 19 trusts, which have a positive policy of providing capital for buy-outs, start-ups and have a "hands-on" approach to investment management. The average returns over five and ten years are 78 per cent and 388.9 per cent respectively. The star performer over ten years is probably the best known in the sector, Electra, which has produced a return of 572.8 per cent.

Philip Coggan continues our survey of investment trusts. The third part of the series will appear next week

WPP, Saatchi, no secondary property companies."

UK: Capital Growth The definition of this sector is the same as that for UK: General, except that the trusts' policy is to accretuate capital growth. There are only four trusts in the sector - Berry Starquest, British Empire Securities, Multitrust and New Guinness Securities. Over five years, British Empire has produced a return of 64.4 per cent.

UK: Income Growth There are nine funds in this sector, where trusts have 80 per cent of their assets in UK registered companies and accretuate income growth. Average dividend growth over the last five years was 220 per cent. Over five years, the average share price total return has been 95.1 per cent, and 565.1 per cent over ten years.

The best return over ten years has come from Lowland Investment Trust, which is managed by Henderson Administration. Henderson says it has had a good mix of small to large companies and has gone for good value, rather than out and out growth stocks. However, the trust produced most of its outperformance in the early part of the decade; over the last two years, its concentration on capital goods and

cent over ten years.

Far East (including Japan) Trusts in this sector have 80 per cent of assets in Far East securities, but less than 80 per cent in Japan. There are eight in all, and over five and ten years the average return has been 131 per cent and 390.9 per cent respectively.

The top performer over ten years, with a total return of 450.9 per cent is Fleming Far Eastern, which benefited from a high concentration on Japan in the early part of the decade, but has suffered for the same reason in the last year.

Far East (excluding Japan) These trusts have 80 per cent of their assets in Far East, but do not own any Japanese securities.

This has been a popular sector for trust launches in recent years because of the fast growth of south east Asian economies, but the AITC only has five year figures for one of the trusts, Pacific Assets.

There are only five trusts in this sector, with an average share price total return over five years of 140.4 per cent and over ten years of 660.3 per cent. The best performer of the two trusts with a ten year record was GT Japan, with a return of 708.2 per cent.

Transatlantic pension worries

AFTER living and working in the UK for the whole of my life (51 years), I took up a position in the US with a US company and have just completed three years with my new company.

Although I have transferred my pension from my previous company into a personal pension insurance policy with Norwich Union, which will pay me a certain pension at 60 years or thereafter, I am concerned that with rising inflation, this provision will not approach a level adequate to keep us self-sufficient even with an addition of the UK pension at the age of 65.

I contribute 8 per cent of my salary in the US to my pension, this is the maximum one can contribute in the US with tax relief. Although I would like to pay more towards my retirement pension and in spite of the fact that the US and UK have reciprocal tax systems, there appears to be no way that I can contribute more of my pre-tax income, as I would be able to if I was in the UK. I pay the required US Social Security contributions and also am required to pay Class 2 contributions to the UK Social Security system in order to safeguard my UK pension rights.

■ You have to separate the task of saving for retirement and getting tax relief on your savings.

If virtually all your income now arises from your US salary then you have to make a systematic exploration of such tax saving opportunities as may exist under US legislation. Many US employers operate deferred profit sharing schemes which enjoy tax concession not available in the UK and which are considered as a useful supplement to retirement benefit savings. There are also what are known as 401Ks (401K being the relevant section of the tax legislation) which correspond in a rough and ready way with our "Salary Sacrifice" arrangements and there are IRAs (Individual

Retirement Annuities).

If your US employer has a go-ahead personnel department they should be able to advise you on these tax savings opportunities. If you want independent professional advice, then contact Loma M Daley, Bedford Research Consultants, 210 Little Falls Street, Suite 103, Falls Church, VA 22046-4303, USA, near Washington DC who provide technical advice and information to pensions and employee benefit consultants not only in the US but worldwide and who should be able to direct you to a good adviser in your area.

If you still cannot muster enough tax saving opportunities you will have to accept that the aim of bringing top US tax below 30 per cent has been to make it easier for people to save significant sums of taxed income so that they have a chance of becoming rentiers by the time they retire, deriving a reasonable income from interest and dividends from capital that can be handed down to the next generation unlike a pension or annuity which stops when you die.

A right to security

I CALLED on an 85 year old friend in a nursing home in Cornwall which costs her £900 a week. She is fearful that with rising costs her money will not last. Her husband died in 1963. During his business life it was not obligatory to contribute to National Insurance. Her husband left her his estate in trust for her to have the income for life. She has a certain amount of capital of her own. Is it possible for her to obtain a widows pension from the state, although her husband paid no National Insurance contributions? Our system of comprehensive and compulsory National Insurance dates back to 1944 (the 1946 National Insurance Act). A means tested non-con-

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post at once or possible.

tributory old age pension has been available in the UK since 1909 supplemented first by National Assistance and then by the means tested Comprehensive Supplementary Benefits system in force today and administered by the Department of Social Security.

The DSS is aware that there are people who do not claim benefits to which they are entitled because they are unaware of their rights. This is particularly true of elderly people who grew up in an era when state benefits were not taken for granted.

If either you or one of her other relatives or friends is prepared to play the good Samaritan and take the matter up with the local office of the DSS you will need to obtain details of her capital and income resources to check whether she is eligible for this benefit. We would however suggest that you begin by telephoning the local office of the DSS for their advice on the best way to approach this type of claim for benefit.

Shocking charges

MY DAUGHTER has a small flat in London for which the service charges are very high and which include a regular contribution to the sinking fund. In June the agents for the owners sent us details about work that "is required to this building." Copies of

tenders were attached, ranging from £52,000 to £64,000.

By a letter dated on the same day they enclosed their service charge budget for year to 31 December 1990 which said that her share of contributions to the sinking fund, which included provisions for internal decoration in 1995, was £477.68 which they intended to collect in a single payment.

Can agents claim payment by a single payment during this year? The deeds contain no reference to being asked to pay by single payment, nor by being charged up to 5 years in advance. Moreover, none of the external decorations have been carried out and work "is now likely to be done in the spring of next year..." At the least I should have thought that payment can be delayed until next year. We have of course paid promptly the two instalments for rent and services, some £1,710.

My daughter intends to sell the flat in the next 18 months. If your lease is entirely silent as to the method of collection of sums due to the sinking fund, and if it is clear that the amount proposed relates to the expected cost of the 1995 redecoration rather than the external repairs, your daughter would have an arguable case for arguing that the charge should be spread over the next three or four years.

My mother's house

AFTER MY father's death my mother moved to a smaller house (in June 1987) which was registered in the names of her two children: my sister and myself. The remainder of her estate, which exceeds £125,000 is of my sister's and mine on an equal basis. Is the house totally exempt from IHT after June 1994 and is some proof that the house was gifted to us required over and above the fact that it is registered in our names? My mother lives alone in the house but we attend to the garden and the general upkeep of the property.

It seems that your mother made a gift with a benefit reserved to her, by reason of her residence in the property which was the subject of the gift. In those circumstances no inheritance tax saving is achieved. The whole value of the house will come into computation of your mother's estate for inheritance tax.

In 1976 my mother and I bought a cottage which has been her permanent residence since then - she lives there. She put £2,000 and I £4,100 to the total cost of £6,100. We own it jointly. It is worth £50,000. Could you tell me what my tax position is should she die and I then sell it? ■ If the title deeds show you and your mother as joint tenants, rather than tenants in common, in equity you will be accountable for Capital Gains Tax on half the increase in value (subject to indexation) of the property. Thus you would have a gain of £48,900 divided by two (£24,450) if the net price received on sale was £50,000. After applying the indexation computation (from 1982 value) you would pay tax at 30 per cent on the balance after the first (tax free) £5,000.

A FIRM GUIDE TO THE STOCKMARKET FOR UNCERTAIN TIMES

FROM FINANCIAL TIMES MAGAZINES

What kind of advice do you want to see from a financial newsletter?

EDITORIAL Our editorial gives you a weekly guide to which way the stockmarket will move and why. We give you clear and direct advice which won't leave you in the dark.

WE ALSO BELIEVE that selling dear shares is as important as buying cheap ones. And we'll tell you to hold on when necessary.

WE HAVE BEEN IN BUSINESS for over forty years. And the combined stockmarket experience of our editorial team amounts to almost 100 years with 30 being accounted for by the editor alone!

SO WHO ARE WE? Although we are editorially independent, we are owned by the same company as these two publications and have complete access to their research facilities.

IC Stockmarket Letter

SUBSCRIBE TODAY!

The prices of stockmarket investments can go down as well as up. Past performance is not a guide to future performance.

Please return to: FT Magazines, Subscriptions Department 1st Floor, Central House, 27 Park Street, FREEPOST, Croydon CR9 9ER. YES, please enter my subscription to IC Stockmarket Letter at the UK rate of £92

I understand that I will receive 55 issues: the first 4 issues are FREE

☐ I enclose a cheque to the value of £ made payable to FT Business Information Ltd.

☐ Please invoice me.

☐ I wish to pay by credit card. Please debit my account.

☐ VISA ☐ ACCESS

☐ DINERS ☐ AMERICAN EXPRESS

Card No.

Expiry Date

Signature Date

IC STOCKMARKET LETTER is a trademark of The Financial Times Group

PENNY SHARE Tastes vary and so do stockmarket fashions. We cater for both active punters and long term investors.

UPDATES Earlier recommendations are regularly re-assessed. We will tell you what action to take and when.

FOUR FREE ISSUES With your trial subscription, we'll tell you how to make the most out of the information we offer as well as give you a free pocket guide to the stockmarket. And your first FOUR ISSUES are FREE, so that you can test our recommendations without making a big commitment.

Money-Back Guarantee After receiving my 4 free issues of IC Stockmarket Letter I can cancel. Any payment I make now will be refunded in full. BLOCK CAPITALS PLEASE

Mr/Ms/Miss

Job title

Company/Private Address

Postcode

Nature of Business

603541

FT BUSINESS INFORMATION LIMITED, REG OFFICE NUMBER ONE SOUTHMARK BRIDGE, LONDON E2 8HL, REG NO. 000806



MINDING YOUR OWN BUSINESS

Nicholas Lander meets the directors of Buying Cars magazine who have found there is more to success than getting the product right

Have drive, need money

STANDING BY a busy road Steve Cropley watches cars go by and calculates their value. He is reassured that, in spite of the heavy advertising of luxury cars on which so many car magazines depend, the average value of a car on the road today is no more than £5,000.

Buying Cars, the magazine he launched in 1985 with his two fellow directors, will, he hopes, be better insulated against the recent decline in consumer spending which has severely affected both the new car and the magazine markets. Rather than extol the virtues of the new Citroen or Rover, for example, Cropley recently told his readers how to buy a BMW 5-series for £23,000 and listed 10 cars that do not depreciate.

Cropley was previously editor of News International's Car magazine, where he increased circulation from 75,000 to 130,000 in six years. He began, however, to tire of international car shows and also to question whether what was being written was what the car buyer actually wanted.

In 1988 2.3m new cars were sold in the UK, but 50 per cent were sold to fleet buyers as company cars, leaving just over 1m personal buyers of new cars. Second hand car sales in 1988 totalled 7m, of which 50 per cent were through garages, the rest personal transactions. Cropley, however, believed, required that you be a car enthusiast - all he wanted was to find car buyers.

Supported by freelance income during 1988 Cropley began talks about the new magazine and was soon joined by Adam Stinson and Margaret Mary Graham, the former art and advertisement directors of

Car magazine. To finance the magazine they approached National Westminster Bank in Harrow which helped them with 11 business plans before they felt happy and then arranged an overdraft facility of £110,000 secured against their houses.

By early 1989 the aims of the new magazine were clear: to answer the questions they had most often been asked at Car magazine, about the value, resale and insurance of ordinary cars and, while they knew that most cars worked up to 40,000 miles, to find out what happened to them subsequently.

They made four initial assumptions about the magazine: that it would sell for £1.20, that they would achieve a monthly print run of 80,000, of which they would sell 50,000, and that advertising revenue would reach £30,000 per month.

They found premises above a jewellers shop in Cirencester close to the printers, for an annual rent of £7,000. The first issue appeared in August 1989.

In spite of a strong conviction in the trade that this type of magazine could not survive because it would not bring in new car advertising, Buying Cars' launch was successful and it has survived. It has been quoted as an authority in advertisements by BMW, Mercedes, Volvo and Mitsubishi and has created a niche in the market that previously did not exist. A number of Buying Cars' larger competitors have somewhat shamelessly copied its ideas.

Buying Cars' directors have been visited by five different publishers keen to buy the title but Cropley and his colleagues did not set up on their own to sell out so quickly.

While the magazine has been a critical success, however, it is struggling as a business. Cropley believes that this is only partly due to the state of the car market, which has fallen 10 per cent in each of the last two years, but also because they appreciated only three of the five crucial factors in launching the magazine.

When it was launched Cropley believed that he and his directors had all the essential ingredients - editorial wisdom, proven design ability and the key to advertising revenue.

What he now realises he lacked from the beginning was an understanding of the circulation and distribution systems to get sufficient copies on to the shelves and adequate finance to maintain promotion, to keep circulation up and to pull in extra advertising.

The initial £110,000 was inadequate and they lacked the courage to use it when it was most needed; they should have begun with at least £200,000. They were therefore unable to maintain the enormous interest in the magazine when it first appeared. Their decision to use a black and white photo on the cover to give it a cheaper look was a mistake too, and when, in early 1990, they changed to a shiny cover, sales increased by 40 per cent.

They are still missing their initial target; the cover price had to increase to £1.40 with the rise in interest rates in October 1989, the print run is stuck at 80,000, of which sales are 40,000, and advertising revenue averages £18,000 per month having peaked at £28,000.

But Cropley and his colleagues receive nothing but compliments for what they



The Buying Cars team: editor Steve Cropley, advertising director Margaret Mary Graham and art director Adam Stinson

write. Their contributors, who include an AA patrolman, a trader in second hand cars and a mechanic in a village garage, provide an insight into the world of cars that would interest anyone.

Since they began they have run features to attract readers with short attention spans: 10 cars not to be seen dead in, 10 cars that make you a mechanic happy and a particularly valuable article about 10 cars that will not leave you on the hard shoulder.

The problem facing Buying Cars today is not one of satisfying their readers but of attracting the attention of a wider audience. The magazine has reached a level from which it cannot progress without extra capital. During most of this year it has broken even but as the winter approaches, when car purchases fall and people spend less time and money on improving them, this may not continue.

The directors see three possible futures. The first would be to take up an offer from

one of the five interested publishers, the second to find a sponsor, and the third to keep the magazine afloat by taking on more freelance work.

Most important, they want to preserve the freshness and appeal of Buying Cars and its value to the man or woman driving a car worth no more than £5,000.

Buying Cars, 11-17 Market Place, Cirencester, Gloucestershire GL1 1NX. Tel: 0285-585751, fax: 0285-585752.

Jessica Alexander talks to Tom Lowes, who has made the most of his small line of products

Profits from the attraction of repellents

THE JUNGLE Formula Company has no sales force of its own and no manufacturing facility. Tom Lowes, the company's owner and managing director, works from a one-room office in Crickhowell, South Wales, with a secretary.

Yet, since the company's launch in 1982 its Jungle Formula insect repellents have captured 35 per cent of the UK market. In the last five years, Lowes estimates the insect repellent market has more than quadrupled, from around £1m to more than £4.6m. He estimates that his share, at retail selling prices, is about £1.6m.

"In 1985 there was Boots' own brand, Bayer's Autan, made in Germany and Jungle Formula. Autan probably had 70 per cent of the market. Today, 70 per cent is made in the UK and there are around 17 other brands."

Lowes acknowledges the element of luck in his success. By chance, he got into an immature market with a good product at just the right time. "Long haul holidays were begin-

ning to take off at the same time as people were becoming more conscious of the health risks and looking to take suitable precautions."

Jungle Formula's active chemical ingredient was originally developed for the US military serving in Vietnam, hence the name. Its US Environmental Protection Agency classification gives it safety credentials to add to its effectiveness.

Lowes, 34, found the product by chance, meeting the American owner through his father. He was keen to export to the UK, just when Lowes was looking for an opportunity to run his own business after an early career in the army and a year as "the only non-graduate graduate trainee" with Metal Box. "Everyone thought I was mad,

that there was no market for insect repellents. But I liked the name." Lowes started to import Jungle Formula in 1983. Quite ignorant of the market, he decided to target fishing and camping shops. "I sent out a leaflet to around 3,000 outlets and things went quite well."

After five years, he thought he might be making about £100,000. That first year, he sold 18,000 bottles worth about £45,000 at recommended selling prices, inclusive of VAT. Around 10 per cent of sales still comes from the fishing and camping outlets but 87 per cent is now from pharmacies. The turning point for Jungle Formula came in 1984, with an article in a national newspaper, giving the company address for order by mail "since we had hardly any distribution". Over

3,000 orders and cheques flooded in, along with many enquiries from pharmacists.

The response gave him the confidence to approach Boots, the high street chemist, which took a £7,000 trial order in early 1985. Jungle Formula quickly won full Boots listing. Boots' share of the pharmacy market is around 54 per cent, but there are at least 10,000 other independent pharmacy outlets, through which any pharmacy product needs effective distribution.

Lowes appointed Chafaro Proprietaries as Jungle Formula's distributor in 1988. "I couldn't get effective distribution without a sales force and my limited product list could not support one."

Lowes follows a business strategy designed to free as much money as

possible for promotion. "The first thing a buyer asks is: 'what support are you giving the product?'"

He estimates he has spent over £400,000 promoting Jungle Formula since he started. It has built up from £3,000 in the first year to over £100,000 annually. Consumer press promotion accounts for 80 per cent; the rest is split between trade press and in-store promotion. He employs an advertising agency and a PR consultant. He bought the Jungle Formula trademark for the rest of the world outside the Americas in 1984 for £17,000, paid over a three year period. He has a UK manufacturer to make and hold stock, from which he buys only as required.

Lowes recognises he pays 30 per cent more for this arrangement but prefers to keep overheads low and

cashflow high. It is also a good protection against overtrading. The company gearing is nil and he does not have any personal equity underpinning the business. Every development has been done from income.

"My wife and family supported me for the first couple of years, though," Lowes points out. He is beginning to reap the benefits of his strategy. "I'm aiming to make a pre-tax profit of £250,000 by 1994, and I'm half way there," he says.

Lowes is aware of the dangers of being a small, one product company. "Perhaps I am more vulnerable but I can also react much more quickly." Since 1985, he has steadily expanded the Jungle Formula range. "I learnt the hard way, you have to do something new every year, introduce a new product or

new packaging, to maintain your growth rate."

His first mistake was to dilute the brand, with a product called Jungle Gel. "I've spent £400,000, just plugging two words: I must stick to them." The gel was renamed Jungle Formula within two years.

He was caught by the CFC scare, and had to sell stocks at a £30,000 loss. "We were working on a pump spray but it all happened so quickly."

In 1989 he launched a combined sunscreen and repellent and, this year, a sting relief cream. The latter is the start of diversification into related products.

He has other ideas up his sleeve, including exporting, and is planning a pre-1992 launch in the Netherlands, through a local distributor. Then, from his little office in the Welsh borders, Lowes will be playing in a much bigger league.

The Jungle Formula Company, 1 High Street, Crickhowell, Powys NP23 1BD. Tel: 0875-811144.

MINDING YOUR OWN BUSINESS

Croughton • Elm

GOLF CLUB

PLANNED OPENING 1992/3

A unique golfing and investment opportunity for the individual and the company

- 18 hole championship length golf course
- Beautiful setting
- Strategic and business
- Designer - Hawtree Royal Stables, Epsom, Surrey; Pine Cliffs, Portugal; Seacrest, USA
- Course constructed - Golf Landscapes Ltd (Westwath South Coast)
- Located at Croughton, Northampton
- 5 minutes journey to 10 M40 (approximately 20 miles east of Oxford)
- Spectacular clubhouse to be built to high specifications in natural stone (restaurant, pro-shop, function room etc)

Investment will be in shares in Croughton Elm Golf Club with playing rights attached. It is anticipated that 600 shares will be offered, priced at approximately £12,000 each - payable in three instalments over the scheduled period of the club.

Registration for brochures and prospectus: Great Thompson, 46 West End, Basingstoke, Hants GU24 0JZ (0252) 264943

For further details contact: Andrew Cherry, Croughton Elm Golf Club, 10 West End, Basingstoke, Hants GU24 0JZ (0252) 264943. Fax: 0252 264943

The Directors of Croughton Elm Golf Club Limited accept responsibility for the contents of this advertisement, which has been approved under Section 27 (1) of the Financial Services Act 1986 by Great Thompson, which is regulated by the Institute of Chartered Accountants in England and Wales to carry on investment business. It should be remembered that the value of investments and the income from them may go down as well as up.

ACOPHARMA

AN ESTABLISHED COMPANY IN THE FIELD OF SEMI SYNTHETIC PENICILLIN ANTIBIOTICS WITH ANNUAL OUTPUT OF 200 TONS, SEEKS A SERIOUS STEADY SUPPLIER OF PENICILLIN V AND PENICILLIN G POTASSIUM OR SODIUM FOR ITS 6-APA PLANT.

PLEASE QUOTE YOUR BEST PRICE BEFORE DEC. 20, 1990 ON THE FOLLOWING ADDRESS:

ACOPHARMA
P.O. BOX 2038 EL-HORREYA HELIOPOLIS - CAIRO
FAX: 2693717
TELEX: 21363 PHRAM UN. TEL: 2691716

CARDIFF ARMS PARK

PAIR OF DEBENTURE SEATS. 31 YEARS TO RUN. BEST POSITION. OFFERS

Telephone (0446) 730730.

Sponsorship for MBA-Study
or other forms of financial aid asked by Master of Eng., patent attorney, computer expert, 34, male. Loyalty contract will be accepted. Speaks Hungarian, German, English, some Russian, later Japanese. Wide horizon, creativity, very good analytical skills, abilities, international experience.
Write Box H7788, Financial Times, One Southwark Bridge, London SE1 9HL

CARDIFF ARMS PARK

Pair of debenture seats 31 years to run. Best position. Offers (0446) 730730

Readers are recommended to seek appropriate professional advice before entering into commitments

PERSONAL

Authors' Your book published, dealer FT, Executive Press of London, 13 Knightbridge Green, London SW1X 7TL

EXHIBITIONS

FREE ADMISSION BUSINESS INFORMATION EXHIBITION

Online information 80

11-13 December 1990

Open 11.00-12.00, 12.00-1.00, 1.00-2.00, 2.00-3.00

Visit the Business Information Trail at the World's largest information show.

Essential to your business: Learn to reduce costs with business, financial and company information available instantly from leading suppliers.

Free entrance with this ad. Information: Learned Information 0885 750 275

BUSINESSES FOR SALE

Growing Manufacturing Business

established in garden leisure industry. Offered as ready to go package. T/O £220K. Good net profits. Price £190K + S.A.V.

Write Box H7813 Financial Times, One Southwark Bridge, London SE1 9HL

Canary Islands - Lanzarote Spain

Spain Language School for sale with business premises

DM 390,000.00 or school licence without prem. 94,000.00.

Enquiries Fax: 28-36 86 64

Phone: 28-36 06 71

Well established spring water

well in West country for sale on royalty basis. Capacity to produce now 5 million litres yearly and scope for almost unlimited expansion.

Write Box H7817, Financial Times, One Southwark Bridge, London SE1 9HL

VICTORIAN HOTEL (BASED IN NORTHAMPTON)

Beautifully restored

All en-suite

2 restaurants, 2 bars, function room

O.I.R.O. £250,000.

Write Box H7818, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

Profitable Scottish Marine Leisure Company

o/o £300,000.

Principals only.

Write Box H7794 Financial Times, One Southwark Bridge, London SE1 9HL

AIRCRAFT FOR SALE

FINEST KING AIR 200

In Northern California (1979).

For sale by owner.

Bank of Stockton

Tel: 209 941 1288

Fax: 209 465 5483

COMPANY NOTICES

WARDLEY GLOBAL SELECTION

Société d'investissement à Capital Variable

7 rue du Marché-aux-Herbiers

L-1728 Luxembourg

The shareholders are advised that on Friday 11 January 1991, a dividend of

USD 0.089050 per share of the Australasia Equity Fund

USD 0.022333 per share of the Canada Equity Fund

USD 0.234736 per share of the Hong Kong Equity Fund

USD 0.328173 per share of the UK Equity Fund

USD 0.015790 per share of the USA Equity Fund

GBP 0.337884 per share of the Sterling Bond Fund

USD 0.818467 per share of the US Dollar Bond Fund

USD 0.244102 per share of the International Managed Bond Fund

GBP 0.431858 per share of the Sterling Reserve Fund

USD 0.584781 per share of the US Dollar Reserve Fund

will be paid to shareholders on the register as of the close of business on November 29, 1990 and shares were traded ex-dividend on 30 November 1990.

The dividend is payable to holders of bearer shares against presentation of coupon No 4 to:

- Banque Internationale à Luxembourg, 2 boulevard Royal L-2583 Luxembourg, Grand Duché de Luxembourg

- The Hongkong and Shanghai Banking Corporation 1 Queen's Road Central, Hong Kong

- The Hongkong and Shanghai Banking Corporation PO Box 315, Hong Kong Branch Building

Gravelly Street, St Helier, Jersey

The Board of Directors

LEGAL NOTICES

No. 000882 of 1990

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

IN THE MATTER OF

PWT PROJECTS LIMITED

- and -

IN THE MATTER OF

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named company from £18,000,000 to £5,000,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honorable Mr. Justice Morris at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 17th day of December 1990.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned Solicitors on payment of the regulated charge for the same.

DATED this 8th day of December 1990

Slaughter and May

25 Abchurch Lane, London EC4N 3DF

Solicitors for the said Company

No. 0010063 of 1990

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

IN THE MATTER OF

CHEMICAL SECURITIES LIMITED

- and -

IN THE MATTER OF

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named company from £20,000,000 to £4,174,324.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honorable Mr. Justice Morris at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 17th day of December 1990.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned Solicitors on payment of the regulated charge for the same.

DATED this 8th day of December 1990

Slaughter and May

25 Abchurch Lane, London EC4N 3DF

Solicitors for the said Company

No. 0010063 of 1990

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

IN THE MATTER OF

CHEMICAL SECURITIES LIMITED

- and -

IN THE MATTER OF

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the capital of the above-named company from £20,000,000 to £4,174,324.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honorable Mr. Justice Morris at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 17th day of December 1990.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned Solicitors on payment of the regulated charge for the same.

Dated this 8th day of December 1990

Slaughter and May

25 Abchurch Lane, London EC4N 3DF

Solicitors for the said Company

No. 0010063 of 1990

IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

IN THE MATTER OF

CHEMICAL SECURITIES LIMITED

PERSPECTIVES

Museums face up to grave issues

Patricia Morison reviews a move to repatriate Aboriginal relics

A CENTURY ago William Lacey, the last male of pure Tasmanian Aboriginal descent, died. Within the day, his head was taken away by a member of the Royal College of Surgeons, his hands and feet were cut off and a piece of his skin was made into a tobacco pouch.

Lacey's skull has remained since then in Edinburgh University's Department of Anatomy, but before Christmas the university will decide whether it should return to the land of his ancestors.

If Lacey's skull is repatriated, it will be the last in a series of successes scored in Britain this year by Tasmanian and Australian Aborigines campaigning to have their ancestral bones returned. Starting in the 1820s, European museums avidly sought Aboriginal skeletons to test an evolutionary theory that classified Aboriginal peoples as sub-human and at the bottom of the evolutionary ladder. Some remains were chance finds or purchases; some were dug up from tribal burial grounds; certain collectors did not stop at abetting murder.

It is an ugly story, few outside the museum world are aware of it. And yet, the campaign for repatriation of human remains makes the issue of returning the Elgin Marbles look like a genteel sideshow. Handing the Parthenon frieze back to Greece will not mean its destruction; curators who return human remains to their tribes know they will be reburied or cremated.

Aboriginal activists claim that Britain's colonialism held more than 2,000 items which must be returned if the spirits of their land are to cease crying for them.

Ironically, it is only now that pre-historians and bio-archaeologists have the research for reburial so they can become one with the earth and spirit world," he says.

Weatherall points out that when scientists conduct researches into Aboriginal remains, they do not seek the consent of the tribal groups. His own tribe has decided to allow a physical anthropologist to examine 40 human remains in the Queensland Museum.

"When he [the anthropologist] hands over the documentation, we'll decide how significant it is. In London, they are not supplying us with the documentation. If they're doing significant research, then they should prove it. Otherwise the items are just curios," he says.

In Australia, political pressure is growing for the return of human remains. Critics say that white politicians find this an easier issue than tugging with land rights.

In October, the Australian government announced it will be asking overseas institutions

to hand back human remains.

Academics are sympathetic to the moral case for returning human remains to those who can prove they are related. Dr Howard Morphy, of the Pitt-Rivers Museum in Oxford, points out: "If remains from the Nazi Holocaust were exhibited in museums it would cause outrage, and yet the Tasmanians were systematically exterminated." On the other hand, documented remains of known individuals or from identified sites are precisely the items of most value to scientists.

In March, Irish premier Charles Haughey intervened directly to force the Royal College of Surgeons in Dublin to give up the skull of "Shinney". Michael Mansell, a Tasmanian Aboriginal and the campaign co-ordinator, claimed that "Shinney" was his great-grandfather. The surgeons, bitterly opposed returning the head, saying Mansell had not produced the evidence.

Oxford gave the Aborigines their second triumph when in June the Pitt-Rivers Museum returned five skulls and a penis. Mansell also brought home items from Bradford University and Peterborough City Museum.

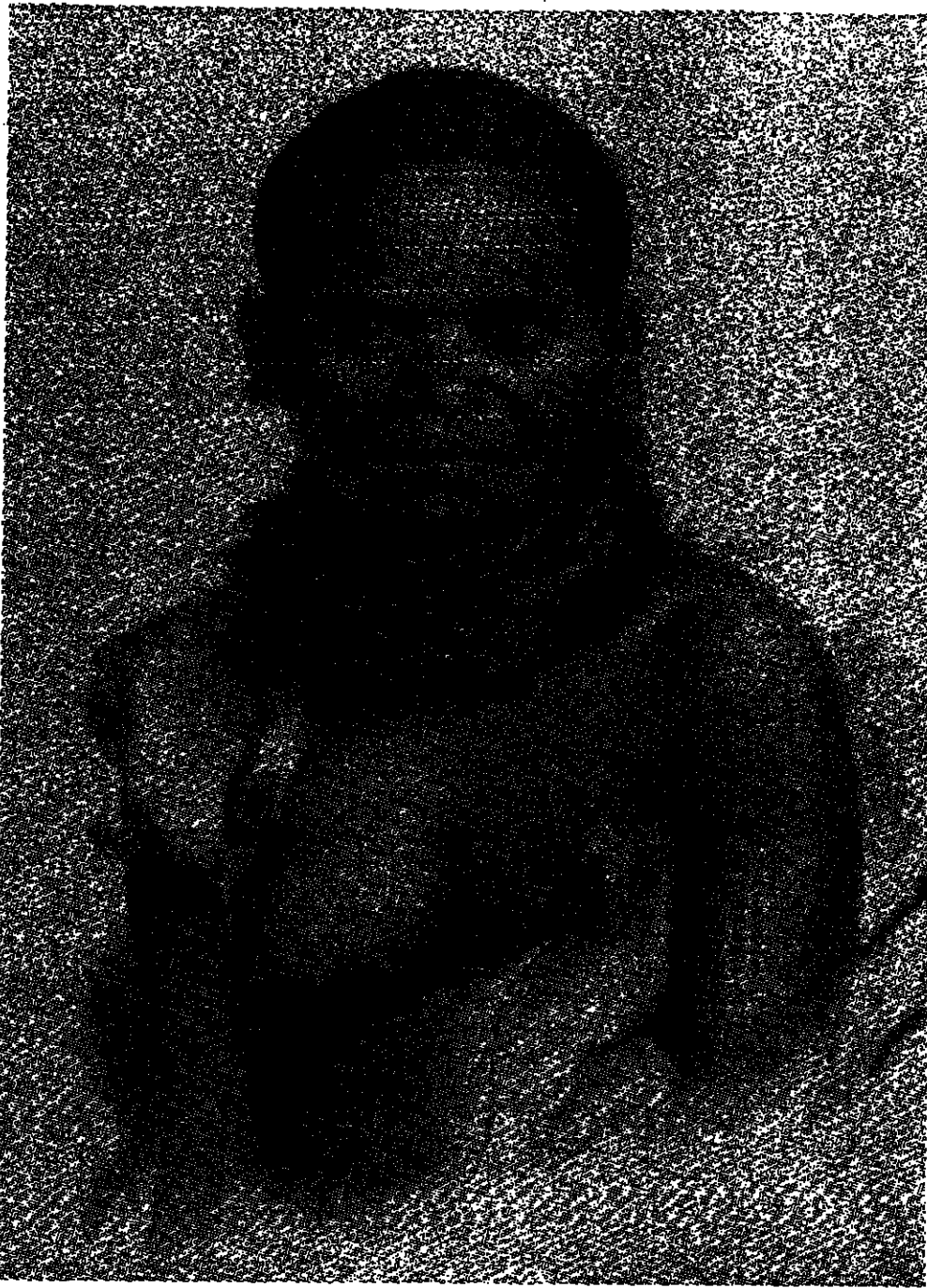
In October, the Kelvingrove Museum in Glasgow returned remains of three individuals. According to Antonia Lovelace, assistant keeper of ethnography, "The stuff has sat here for a century and we don't have the personnel to do research on it."

The campaigners are now contacting collections in France and Germany. Weatherall says the French so far unresponsive. "Their scientists are very racist. They just don't accept we have a different way of looking at things." He also complains about British collections which refuse to produce documentation on their holdings. "Medical anthropologists and their sort operate like a secret society," he says.

Last month, Weatherall lobbied the Royal College of Surgeons in London to return 53 skulls, none of named individuals. The college's response is that the tribal groups requesting the return of particular remains must submit supporting evidence. The National Museum of Scotland has refused a request for seven skulls.

The Natural History Museum in London has 160 Aboriginal items. Although the British Museum Act of 1963 says the museum cannot dispose of anything in the collection, on general grounds it favours a change in the legislation. However, its message to ethnic groups is that most, but not all, its human remains are of considerable scientific importance.

Chris Stringer, anthropologist at the museum, is critical of what he sees as recent hasty decisions. "No physical anthropologist had access to the Pitt-Rivers remains before they were handed over. It set an unfortunate precedent," he says. He sees it as a tragedy for science that Shinney's head was returned and destroyed with-



'Jenny', a watercolour of an Aborigine, is one of the less grisly items in the Pitt-Rivers Museum

out a genetic sample being taken.

Many experts dispute the activists' insistence on reburial by pointing to the varied mortuary customs of Australia. "Some tribes placed bones in trees and left them. Water-carriers were sometimes made of skulls," points out Dr Stringer. Opponents also say that Weatherall and Mansell's campaign does not represent the views of the Aboriginal community.

Above all, scientists are dismayed by Aboriginal statements that nothing more can be learnt from desecrating ancestral bones. "Micro-evolutionary changes within populations are extremely subtle which means that every bone has value," says Dr Stringer.

One new technique is sectioning human teeth. Like counting rings in a tree-trunk, a study of ridges on teeth makes it possible to learn about a population's diet, health and maturation.

At the Institute of Molecular Medicine at the John Radcliffe Hospital in Oxford, Dr John Clegg and Dr Erica Hegelberg analyse bones by grinding them up and recovering tiny residues of DNA. Even from 5,000-year-old bones, scientists are able to identify sex, kinship and racial affinities, and whether, for example, an ancient people had malaria or tuberculous plague.

Dr Hegelberg currently analyses Polynesian bones to find out when the region was first settled. Polynesia has experienced such profound cultural changes that Dr Clegg says that the evidence is "fairly uncontroversial". However, in Hawaii, researchers using

bones have been threatened by campaigners.

At the Pitt-Rivers Museum, before any approach was made by the Aborigines, the curators showed unanimously that ethnic peoples have the right to decide the fate of their ancestors' remains. An example of the sensitivity museum curators now need is that the Pitt-Rivers no longer displays its tattooed heads, or any skulls at all because a Maori delegation found the display offensive.

Even so, Dr Howard Morphy regrets the loss to science if the repatriated skulls are reburied. "The boundary of historic and pre-historic material is a blurred one, in scientific terms. Even one or two skulls could fill a vital gap in the record," he says.

Dr Don Borthwell, Reader in Zooarchaeology at London University, is trying to co-ordinate research into Aboriginal remains before they are handed over and destroyed. His hope is that Aborigines may be persuaded to take the view, now growing among American Indians, that they are custodians of the irreplaceable evidence of their past.

Archaeologists are generally reluctant to advocate pre-history as a prop for nationalism. They suggest that Aborigines should see studying the past as a matter for pride. Pre-historians can now show that Australia was occupied much earlier than was thought and point out that careful dating of bones shows how distinct Aboriginal peoples have always been, and how early they adopted advanced practices such as cremation and using polished axes.

On the other hand, the idea

of educating Aborigines to take a different view of their past can have the ring of intellectual colonialism. Biblical fundamentalists have their own view of man's origins; why should Aborigines not cling to their own?

With good will on both sides and strenuously tactful responses by Europeans, it may be that the white man's view of the past can be reconciled with the Aboriginal Dream Time. If politicians move in on the act, tact and time are likely to be in short supply. Currently, unique evidence is being buried, and with it their heritage, and some argue, the heritage of human kind.

Despatches

Golden daze of radio

John Wyles passes his breakfast show test - just

"BUONGIORNO Mr John, vorrei sapere la sua opinione", the lips are dry, the hands damp and shaking slightly as I brace myself for the listener's request for my opinion. If his question is about Italian politics, that is fine, no economy, no problem. But if it is the difficulties of Benevento or of some such place of which I know little and care even less, then I am sunk. Will I even understand the question in the first place?

The task had seemed daunting, but not terrifyingly so, when the producers of Prima Pagina had first invited me a couple of months before to host their one hour of live radio for seven consecutive days. After four years, my Italian still has some grammatical black holes and the vocabulary is stronger in discussions on corporate takeovers than it is on the finer points of Italian fashion design, or even (shame!) the weather.

But maturity brings a greater resignation to making a fool of oneself and the lure of a captive radio audience was too much for my vaulting ego. Doubts began to creep in when Italian friends pressed *portoghera* (good luck) to me. Clearly their judgment of my linguistic abilities was not as exalted as my own. Had they never heard of people rising to a challenge?

And the first challenge was undoubtedly in the rising. Five in the morning to be exact, so as to be at the paper shop near the RAI studios in Rome by 6.15. "Do not have any late nights, and get plenty of rest," advised the producers, obviously concerned that nervous exhaustion might just plunge Radio Three's flagship morning programme into an on-air crisis.

The first half hour is dedicated to a lengthy summary of the day's main news stories and the presenter's task is to wade through 20-odd newspapers, national and provincial, in the 70 minutes before the programme. The aim is to provide a smooth, concise picture based on readings of fact and comment with the insertion of the odd personal belief/prejudice.

The difficulties became immediately apparent during the first programme. Too much time spent ploughing through the papers meant too little preparation and that means uncertainty about the sequence of items and consequently agonising silences which do not make for lively radio. I punctuated them with

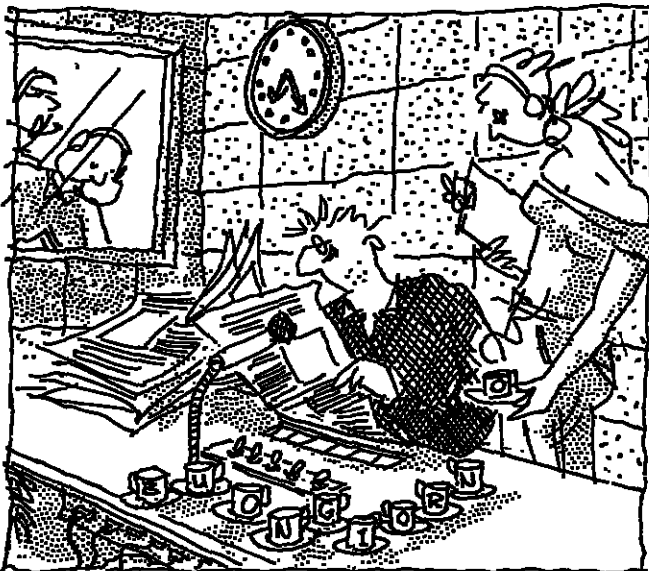
a noise my daughters believed was a rhinoceros declaiming at the end of a long tunnel but which, in fact, was only a panicky bout of throat clearing.

There were other problems of articulation. Italian may seem to be a mellifluous, musical language, but it has some murderously multisyllabic words which the early morning tongue rejects. *Renaionalizzazione*, for example, hovered permanently around the epiglottis and could not be coaxed forth under any circumstances.

The second half hour of each programme was Wyles meets vox pop. Listeners can and did call in from around the country, frequently not to hear my views but to express their own.

viewed masterfully along the lines that the Pope was only doing his job, until I could not remember the word for contraptives. My answer faded into a mumble as I repressed the desire to run screaming from the studio.

It became easier on succeeding days as I learned to master the newspaper mountain, keep an eye on the production team and to waffle with increasing conviction on subjects with which I had only a passing acquaintance. By then I had learnt from my callers that Italian women were definitely against a war in the Gulf, that Italian politicians were despicable and journalists in general the lowest of the low.



The production team would give throat-cutting signals to urge me to interrupt, but Italian seem to be able to utter a lot of words without drawing breath. There was frequently little option but to issue a curt demand for the question, which would often set the caller volubly off on a new tangent.

Blithe over-confidence had led me to underestimate the difficulties of developing instant opinions in a foreign language. My first day's news summary included an item about the Pope urging Italian chemists not to sell contraceptives. Did I not think this a shocking threat to civil liberties, asked one obviously lay caller.

"Non lo so." (I don't know) would obviously sink all hopes of stunning Italy with my intellectual acuity. Once the blinding pain of panic had faded from behind my eyes, I impro-

They were fascinated by Margaret Thatcher and curious as to why Italians have an inferiority complex in relation to the British.

Two days after my last broadcast, I also learned that I had an unusually attractive asset. That was the day when a housewife from Ostia telephoned my office to request an instant meeting because she had been bewitched by my beautiful voice. "It had," she said in English, "a wonderful bouquet." She added that she had to see me "before the magic wears off". Having learnt to think quickly on my feet, I implored her to cherish these short-lived illusions about my charms and not to risk shattering them by the sight of a face ravaged by the exigencies of rising at 5am for an entire week. If there is a next time, I hope it will be my Italian which makes me the housewives' choice.

Not one for being stood up.

Singalong with sake

Christopher Price meets the Sinatra aspirants at a Karaoke club

THE LIPS of Takeo Nagashima, an executive with a City of London broking house, quiver as he reaches the crescendo of "An Old Northern Inn", a traditional Japanese favourite, his eyes fixed on a large video screen showing an oriental woman taking a shower.

Around him, a dozen Japanese businessmen sit on sofas, nodding in appreciation. The microphone is passed to another besuited executive as hostesses move among them with food and sake. As a new video begins, the music of a melancholic Japanese song strikes up, the words light up on the screen and a man croons to the vision of a woman cavorting a telephone wire.

"This is Japanese Karaoke," says Frankie Thal, owner of Suki-Yaki Joe's diner and bar in London's West End. Karaoke - literally "orchestra without nothing" - is a Japanese import which is sending bar tills ringing throughout Britain. The idea is simple: popular songs are played on video discs without the vocals, with the words sung by a member of the audience using a microphone.

Although the machines have been widely available in Britain for two years, new technology has improved the Karaoke systems immensely to make them a novel and profitable - form of entertainment. In the downstairs bar, the atmosphere is sedate, the decor distinctly eastern and the emphasis on relaxation. Thal surveys the scene with satisfaction.

"This is how Japanese businessmen like to enjoy themselves," he says. "Singing and relaxing can be very good for busi-

ness. They come here to eat and drink with their colleagues and to sing their pressures away."

His company has invested £500,000 in Suki-Yaki Joe's, including £150,000 on the Karaoke equipment alone. To hire the machines, with screens and host, costs around £300 per night. A host is deemed vital to overcome the great British reserve.

Karaoke, opines Thal, is going to be the cultural by-word of the 1990s "because everyone likes to have a good time".

"Now I will show you English Karaoke," he smiles. As we climb the cold metal stairs the strains of a large crowd singing can be heard: "Summer loving, happened so fast..." That's smile grows wider.

He opens the door to what can best be described as midnight at a New Year's Eve party. Only it is 3.30pm on a wet Wednesday November night.

Around 80 young people have crammed into the same space at the downstairs bar. There is a tangle of arms around necks, arms around shoulders and arms up in the air, some are standing on sofas, some on each other, but their eyes fixed on the singers, or else on the five TV screens around the bar.

Without prompting, all the men are taking their parts from the musical *Grease* and hand-jiving, singing "Tell me more, tell me more," to a similar female refrain. A video with the words to the song - "Summer Lovin'" by John Travolta and Olivia Newton-John - guides the uninited. Easy even for the most inept.

"Right," says the Karaoke "hostess", a brash young London woman. "Let's have Julie and Sue up here." A roar goes up.

Sue has 37 friends here celebrating her birthday. They choose "I will survive," by Gloria Gaynor. The microphones they use can convert even the faintest voices into something passable. And with another 78 voices raised in song, any variances are easily masked.

There are hundreds of songs to choose from on the Karaoke machine, and lists circulate through the crowd. Frank Sinatra and Elvis Presley seem particularly popular. Mike Scott, an export clerk in the City, is giving a quite brilliant rendition of Elvis' "It's now or never."

Simon Langer, who owns a club in Stevenage, breaks from performing a duet on "Hey Jude". "Karaoke is the biggest thing to hit British clubs for decades," he says. He is out on a reconnaissance mission, as he has just started Karaoke at his club and has seen his average Monday crowd rise from 60 to 600 in two weeks. "It's phenomenal," he says.

"Once they get a microphone in their hands there's no stopping them," says George Kassouf, manager of the bar, noting, "The English like to sing together, the Japanese like to sing for themselves."

Earlier in the evening, east briefly met west when two Japanese men joined in the singing upstairs in a relatively quiet moment. They sang Sinatra's "New York, New York". However, these proved to be the exception.

"The Japanese always find the Karaoke upstairs very interesting. They stand in the doorway for five minutes and like to look to see how the English like to enjoy themselves," says Mr Thal. "They think it is very funny."

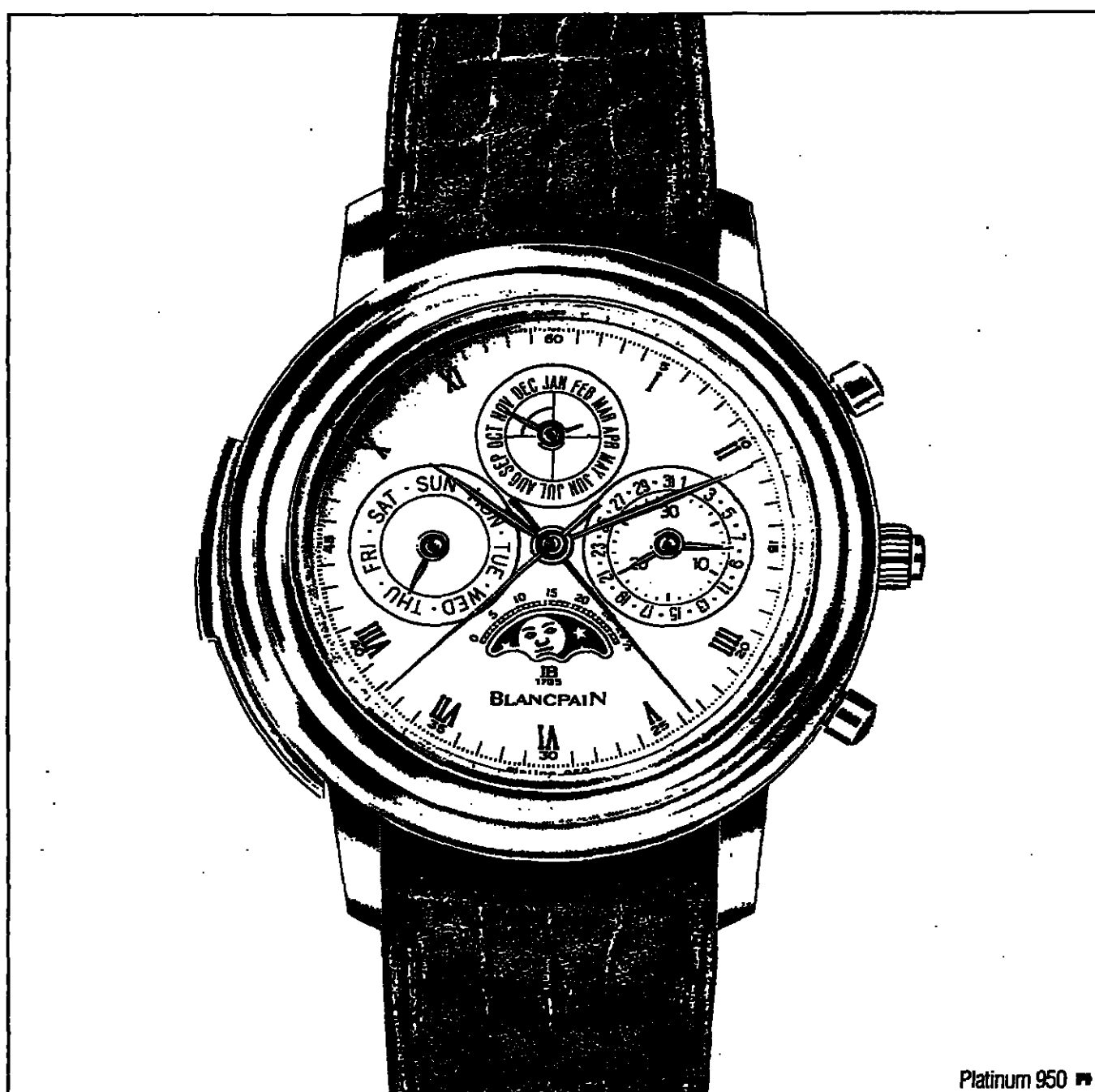
OW 1977 VINTAGE OR

The finest port wines made for two.

Asprey

PRESENTS FROM DECEMBER 7TH TO 24TH

THE GREATEST SWISS WRIST WATCH EVER MADE



Platinum 950

Never before had anyone made a wrist watch like this one. Since it ranks as the crowning achievement of a demanding craft, embodying centuries of horological tradition, Blancpain has named it "1735". This watch combines into one and the same timepiece all six classic masterpieces of the watchmaker's art:

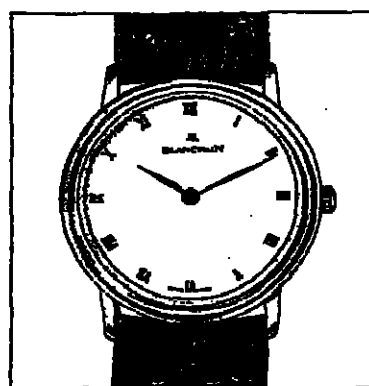
- the ultra-slim watch
- the moon-phase watch
- the perpetual calendar
- the split-second chronograph
- the tourbillon
- the minute repeater

The company's master watchmakers have invested more than six years of their time to create this little masterpiece, expertly fashioning and assembling the nearly seven hundred individual parts of its impressively intricate 18 Kt gold movement. Only platinum, the king of metals, was deemed worthy of encasing this exceptional achievement. A formal notarized pledge sets a definitive limit of thirty to the number of platinum-case "1735" wrist watches that Blancpain will ever produce.

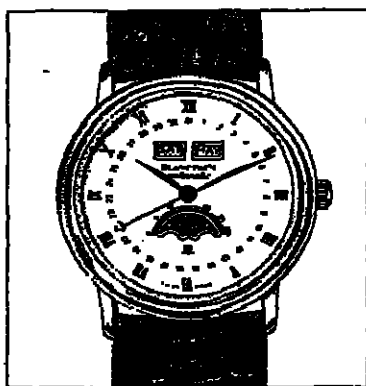
BLANCPAIN

THE SIX MASTERPIECES OF THE WATCHMAKER'S ART

In a further, exceptional development, Blancpain today makes and sells as a set the six classic masterpieces of the watchmaker's art



1. ULTRA-SLIM WATCH



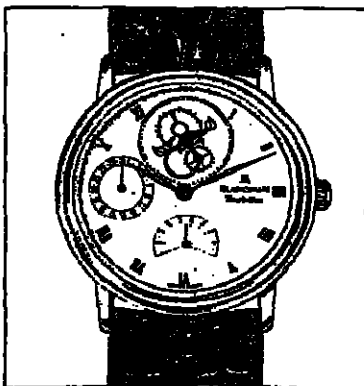
2. MOON-PHASE WATCH



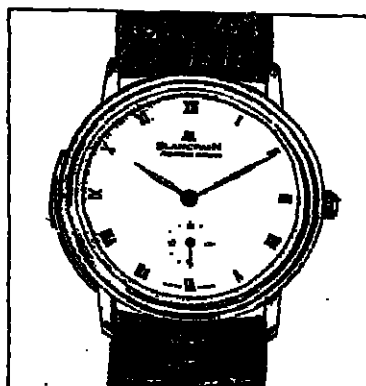
3. PERPETUAL CALENDAR



4. SPLIT-SECOND CHRONOGRAPH



5. TOURBILLON



6. MINUTE REPEATER

Please contact Mr. Andrew Churchill for details
 ASPREY, 165-169 New Bond Street, London, W1Y 0AR. Tel. 071-493 6767

JP 11/10/150

COLLECTING/HOW TO SPEND IT

A fair in search of fortune

Homan Potterton reports on ART/LA, a US show with big ideas

THE INTERNATIONAL Contemporary Art Fair in Los Angeles is the one in Basle and FIAC in Paris and hopes to knock the longer-established Chicago Contemporary Art Fair into second place on the calendar of American fairs. But there are problems. By comparison with New York, people in LA are laid back, to say the least, and although there are a lot of would-be collectors, it is taking time to convince them that "all the fun of the fair" means all the fun of buying.

Selling is not a strong point at ART/LA, which is being staged for the fifth time this year (December 6-10) at the Los Angeles Convention Center. The trouble is that most of the 30,000 or so visitors to the five-day event do not realise that art is there to be sold. In its first few years, signs were posted which said: "All Art is for Sale" but now that is considered too "small-town" and the signs are gone.

There are of course some very big collectors in California - Eli Broad, Frederik Weisman and Douglas Cramer are just three of them - and they have been there longer than ART/LA. Many of them are on the Fair's Advisory Board and their names, together with those of the directors of such museums as the Los Angeles County Museum, the Getty, Frankfort, and Cologne, give ART/LA a very respectable cachet. But one of the problems is that the big collectors have already assembled their collections from the galleries of New York and Europe and they do not need ART/LA; and lesser collectors tend to subscribe to the maxim "if it is under \$10,000, buy in LA; if it is more than \$10,000, buy in New York."

But this is all now changing, and there have been a number of developments during the past decade which point to the emergence of Los Angeles as a definite cultural force: the opening of a new Museum of Contemporary Art; the addition of the Anderson Wing for Contemporary Art at the County Museum; the international recognition of the GAL ART School and its artist-teacher John Baldessari; and the extraordinary emergence of Santa Monica as the SoHo of the West Coast, where as many as 25 new galleries have set up, following the relocation there in 1986 of the respected James Corcoran Gallery. Even the most chauvinistic New Yorker will now admit that the American contemporary art scene has become "bi-postal".

It takes time, however, to establish a contemporary art fair on the international calendar. ART/LA is staged by the same London-based group (Andry Montgomery) which organises the London Contemporary Art Fair that takes place in Olympia in April. The local organiser, since 1989, is

Charles Schiepes, and he is happy with ART/LA's progress so far. "It takes more than five years for a fair to build a reputation and it takes at least five years for ancillary activities like museum exhibitions to fall into place."

Coinciding with ART/LA 90 is a Fauve landscape exhibition at the Los Angeles County Museum; an Edward Ruscha retrospective at the Museum of Contemporary Art; dissident Russian art at the USC Fisher Gallery; and the first one-man American show of British sculptor Tony Cragg, at the Newport Harbor Museum.

As a means of enhancing the Fair's international appeal, five Belgian galleries are particularly featured in a way that several Cologne galleries were showcased last year. Apart from them, ART/LA 90 is presenting art from "165 world-class galleries from over 50 cities in 20 countries."

Angela Flowers - with her one-man show of Glasgow artist, Peter Howson - and Lisson Gallery will be there from London. So will Sue Ranking, Victoria Miro and the Cooling Gallery. Ghislaine Hussenot from Paris and the Raab Gal-

erie from Berlin are just two of the international galleries which will add particular lustre with their presence. But some big names from New York - Leo Castelli, Holly Solomon, and Marlborough, who have exhibited at ART/LA before - will not have booths this year. Their absence does not necessarily indicate disenchantment with the Fair, quite simply there are now so many fairs that galleries must pick and choose.

Some New York galleries, realising the enormous potential of the Los Angeles market, return to ART/LA each year. The Forum Gallery, which specialises in American realism of the 20th century, is just one of them. Forum has been at ART/LA for the past four years and has built a West Coast clientele. So has the Sherry French Gallery, which exhibits American contemporary realists and has paintings within a price range of \$1,000 to \$30,000 by artists such as Michael Scott and Bill Dunlop.

Bill Carroll of the prestigious Charles Cowles Gallery has had a stand at all five ART/LA fairs. He represents Californian artists like Chuck Arnoldi and

Mannel Neri with work ranging in price from \$5 to \$50,000. He has found it relatively easy to establish his gallery with Californian collectors because his artists, being local, are already known there. He believes that the "potential of the California market is only beginning to be cultivated."

But is ART/LA the means by which this potential will be realised? Randy Rosen, the New York-based independent curator and art-adviser, admits that Los Angeles is "buzzing. There is an energy there which makes one want to know what is happening." However, at the same time she doubts that ART/LA will in future eclipse Chicago as the premier US contemporary fair.

As Randy Rosen says: "Chicago is well-timed and well-located and has been of consistently high quality with very good European dealers. ART/LA is doing fine but it is not yet anchored as a 'must-do'. It must draw on areas other than the East Coast, namely Europe. Then there is the question of just how big art fairs the art market can tolerate. For the moment ART/LA is still finding its identity."



THIS GOUACHE of a peacock by Carlo Antonio Balassi, working around 1800, was one of a set of four which was sold by Trinity Fine Art for around \$80,000 at the Orangery exhibition at the Accademia Italiana in Rutland Gate in London this week, writes Antony Thorncroft. The exhibition, which closes next Thursday, is a concept imported from Berlin to liven up a currently depressed antiquities market. About 50 leading British and Italian dealers have each contributed perhaps one, perhaps a handful, of works of Italian art of the highest quality which are displayed in room settings in the Accademia.

The idea is to get away from the formal stands at fairs and the hurly-burly of blatant competition. The Accademia provides a

gracious background, with elegant women on hand to answer the initial enquiries of prospective buyers while a telephone call summons the dealer to try to clinch a sale.

So far there have been more enquiries than transactions but Alan Rubin, of Pelham Galleries, who has submitted the Grimaldi cabinet made in the Papal workshops around 1740 and priced in the millions, speaks for most participants in welcoming the idea. He sees it as a return to the more gentlemanly days of dealing. The speculators have retired with bruised wallets and the connoisseurs are buying again. The Orangery at the Accademia is likely to become an important annual occasion at the grander end of the antiques calendar.

More misery in the market-place

Antony Thorncroft reports on the collapse of speculative prices

THE ONLY good thing that can be said about London's week of major Impressionist and modern picture sales is that all the misery came at once. Prices plunged so dramatically - or rather buyers disappeared so totally - that the market must now be in the

basement. When important pictures are offered again in London, the summer Sotheby's and Christie's will have educated sellers into expecting lower prices and some improvement in demand seems likely.

The transformation in the market can be briefly summed

up. On the corresponding Monday evening of 1989 Christie's sold a Van Gogh, a Vermeer and a Cezanne, with records for Cezanne, Leger and Magritte, among others. Last Monday's sale totalled \$10.3m and was 75 per cent unsold. Sotheby's, after a nasty experience in June, only accepted 38 lots this time, modestly mated at prices up to 40 per cent below those of last December. Even so its total of \$5.7m was a tenth of its outcome in 1989, and it was 59 per cent unsold.

Christie's had the better pictures and was prepared to take risks on them, fixing fairly high estimates and reserves (although still reduced from six months ago). In the event there was minimal demand, even for such glittery pictures as a Van Gogh owned by Elizabeth Taylor.

There were few Japanese in the room; the low value of the dollar has completely seen off the Americans; and the dealers are just not interested - they are nursing expensive unsold stock. Some of the lots at Christie's had first been offered to Sotheby's, notably one of Monet's views of haystacks which had sold in France in the summer for \$2.8m and was now greedily estimated at \$5m to \$7m. The best, unsuccessful, bid was \$3.7m.

There must still be money around for art but the speculative element has been decimated by stories of declining values and the sheer impossibility of maintaining the breakneck price appreciation of the last two years. This week prices were roughly back to the levels of the spring of 1988, but there was so few actual sales that this is a best guess. The Japanese, who fuelled the upsurge, often buying up to half a major sale by value, tend to display a herd element and the herd is currently in no mood to graze.

Pictures are still selling for high prices privately. Elizabeth Markovitch, who runs the new

fine art counselling service of Schroeder's Bank in Geneva, reports that a Van Gogh went last week from Switzerland to Japan for \$62m, which would make it the third most expensive work of art to change hands (although there may have been private deals at even higher prices). With successful auctions giving the market a depressing public image the middle men could be entering a busy period.

Most of the pictures that did sell this week went to private collectors, and the more modest priced "second division" auctions of Impressionist and Modern art performed noticeably better than the presumed masterpieces. Those sectors which have stayed a connoisseurs market - like Surrealism and German Expressionism - offered the rare success stories. Sotheby's sold a Magritte plaster statuette for above its \$80,000 high estimate and Christie's actually achieved a record of £187,000 for a Grosz watercolour.

The bidding by collectors meant that there was little logic to the "second division" auctions: it depended on personal whim. Impressionist art has fallen in value further than 20th century art because the best Impressionists are already in museums and buyers realised that they were being persuaded by the auction houses to pay over the odds for routine works. But Sotheby's sold a painting by a minor late Impressionist, Henri Martin, for a record \$208,000 because two private buyers wanted it badly enough.

Melanie Glare, who had a baptism of fire when handling her first major sale at Sotheby's on Tuesday, reckons that the events of the week will have convinced sellers that the time of crazy price appreciation is over, and that in June the market will show signs of a slow recovery. Elizabeth Markovitch thinks it will take up to four years to reach again the price levels of early 1990.



Stockbroker Peter Sich astride a lightning-fast Kawasaki

A better class of outlaw

Big, bad motorcycles are back in fashion, reports Peter Knight

THERE ARE few things sadder than the sight of fully-dressed bikers without their motorbikes, especially when they are travelling on Inter-city. Train buffet food might indeed be wanting, but biker boots and leather-padded shoulders seem rather excessive trimmings against the British Rail bacon and tomato.

This weekend the trains will be filled with Raybans and double-stitched cowhide as the UK's motorcycle enthusiasts head for the rather grandly named International Motorcycle Show at the National Exhibition Centre in Birmingham (until tomorrow).

Tougher types will bring the icy, overcrowded motorways and make the pilgrimage on their bikes. The organisers are well prepared, with steel industrial shelving in the cloak rooms on which the helmet-check girls (matrons really) stack the protective gear.

Motorcycling is fashionable again, but today it is less of a means of transport and more of a social statement. This is especially true for "older" riders - those in their 30s and 40s. It is this demographic group that the hard-pressed motorcycle manufacturers have been targeting in an attempt to increase sales in a declining market.

Harley-Davidson, the last remaining US marque, has unashamedly pursued the more mature rider who can afford its expensive bikes. Kawasaki, the Japanese maker of raunchy racers is, it appears, trying to throw off its speedster image in favour of something more acceptable. Its current advertisement shows a leather-clad figure on a streamlined 1100cc black bullet at speed on a country road. The caption reads "36, married and free". It would be hard to compose a more direct message to those feeling a little hemmed in by life.

And it appears to be working. Sales figures in the UK show that sales of motorcycles in the engine category of that Kawasaki have risen 63 per cent over the past year. The US has produced similar figures. Buyers are, generally, the more mature rider who prefers, and can afford, the bigger bike.

Bikes over 1,000cc are powerful (the Kawasaki does 0-60 in 2.9 seconds, rather faster than

a Porsche) and expensive - from around \$6,000 to \$15,000. They appeal to those riders who have always dreamed of owning a big bike and who now have the bank balance - and the garage.

Even motorcycle culture, long considered part of the leathery fringe, has been seized on by the fashion world. Leather, boots and the slimline Marlon Brando image is back in style.

In the 1950s and early '60s motorcycles were cheap forms of transport for the working classes. The old BSAs and Triumphs got the lads through the factory gate and, if there was a sidecar attached, the family away at weekends. Then the Mini car came along and four-wheel motoring became affordable. Biking was left to the teenagers and, as they are called in the US, the outlaws.

These are chaps (and a few women) who use their bikes as a substitute for a horse. They have the scarves, the saddle bags and the leathers. The men drink beer and grow beards.

The women cultivate the sleazy look and exotic male outlaws by baring their chests while riding pillion.

It is this outlaw image that the fashion world has sanitised and embraced. Pictures of Marlon Brando in scenes from *The Wild Ones*, probably the best biker movie, are de rigueur in trendy clothes shops. Leather is again desirable and the latest range of women's leather wear is based on the protective and brightly coloured racing suits worn by motorcycle grand-prix drivers.

The upwardly mobile - those who can afford to buy the big bikes - wear the designer-version of the outlaw uniform for the sheer thrill of a little downward mobility at weekends. It's all good clean fun, reinforced by actors and pop stars: today's celebrities in search of street credibility just have to be seen on a motorbike.

The late Malcolm Forbes started the trend by riding Harley-Davidson at an age when his peers were heading for retirement in Miami. Now celebrities

from Sylvester Stallone through to France's Johnny Hallyday vie to out-Harley each other. Even the fragile Whitney Houston, the pop singer, is photographed on an enormous Harley for her latest album.

However, this does not mean that everyone who rides a bike is merely acting out a fantasy. BMW, which is at the rather placid and posh end of the market, reports increased sales to business people who prefer the efficiency of a company bike rather than a car to get around traffic-choked cities. Executives, such as Melorie Chilton (pictured below), a director of Portobello Productions, an independent film and television producer, uses her Yamaha 750 as daily transport.

Bikers are well represented on transport matters by the British Motorcyclists' Federation (BMF), which lobbies on behalf of riders. More than 250 UK motorcycle clubs are affiliated from the 4,000-strong BMW Club to the Christian Motorcyclists' Association.

And the British motorcycle, which once dominated world markets before being killed off by Japanese competition, is set to make a comeback. Norton has been making a few rotary-engined racers, tourers and police bikes for the past few years. But now Triumph, once considered by many as the best British bike before its demise in the early 1980s, has been reborn.

The marque was bought by a northern businessman and after years of secret development, six new models are on display at the show. Although they carry traditional Triumph names, such as Daytona and Trophy, the bikes are virtually indistinguishable from Japanese models. Buyers are hoping for Japanese reliability, too.

Purists - who prefer their bikes to leak oil and look traditional - can always buy a new Soviet, the two-wheeled equivalent of a Trabant, made to pre-war BMW specifications, also on display at the show. At less than £2,000, these motorcycles make an original present for those who think they have everything but cannot afford a Harley.

The International Motorcycle Show, National Exhibition Centre, Birmingham. Ends Sunday, December 9.



Melorie Chilton: commuting by Yamaha

Tony Andrews

THE ROYAL OAK.

Audemars Piguet

AVAILABLE AT:
ASPREY, GARRARD, DAVID MORRIS, MOUSSAIEFF
THE WATCH GALLERY
WATCHES OF SWITZERLAND LTD.
JERSEY, C.T. MAINE.

THEO FENNELL

18 carat yellow gold stone set jewellery designed and made at Theo Fennell. All pieces shown life size.

175-177 Fulham Road, Chelsea, London SW3 6JW
Telephone: 071-376 4855 Fax: 071-376 4910
and at
Harrods, Knightsbridge; Mitsukoshi, Tokyo; Tiffany & Co, New York

FOOD & WINE

Battle plan of a banquet host

Nicholas Lander watches top manager David Petrie mastermind lunch for 330 guests

TO THOSE outside the hotel industry the word banquetting evokes barons of beef and tankards of ale drunk at refectory tables in Merrie Olde England. To those inside the industry, banquetting means any meal in a private room: from an intimate dinner for two to a sit down meal for 1,500 in the Great Room at the Grosvenor House, London's largest dining room.

As the year-end approaches, the offices of banquetting managers in hotels up and down the country become increasingly busy. Phones ring incessantly; guests with bookings call to change details; those without try to be squeezed in. Upstairs more than 300 guests are on their way in to

Once these guests are eating they are for the moment out of the banquetting manager's hands and entrusted to the banquetting head waiter, his assistants and, of course, the chef. But this lunch will only go smoothly if all the information - in this case the customer's requirements - has been clearly transcribed, passed around to the hotel's 22 different departments, and, most important, read and understood.

David Petrie, who has worked at most of London's top hotels including 22 years at the Dorchester, since leaving Westminster College in 1948, has no illusions about his job. In essence, he maintains, it follows the same matter of fact approach as any considerate hostess would give to a small dinner party. A date is fixed, numbers arranged, dietary requirements considered, the food and wine bought and eventually cooked and served. The difference is that on a busy day he can be looking after 300 such guests.

Banquetting has always been a distinct department within the hotel world. Size partly dictates this. Petrie has a permanent staff of 10, a casual waiting staff of up

to 60, and an annual turnover of £3.5m. He can accommodate in his main banquetting suite a maximum of 200 for a buffet, 330 at a dinner, and 1,000 for a cocktail party. A colossal amount of equipment exists to serve everyone; 6,000 pieces of china, 6,000 items of cutlery and more than 4,000 glasses.

It is not just the number of guests that differentiates banquetting from the more normal restaurant service. The amount of planning that is necessary, from both the guest and the hotel, to make any event a success, calls for special understanding. Banquetting managers are often dealing with dreams that their guests have been nurturing for years, whether it is a daughter's wedding or a son's bar mitzvah.

While the rewards, in the shape of thank-you letters, can fill filing cabinets, the penalties for the smallest breakdown in communication can be unforgivable; when a main course of salmon and sea bass, cut too small, ruined a wedding in the host's opinion, a discount of £10,000 was apparently the only solution.

Timescales, too, change when one enters the banquetting world. Petrie will quote firm prices for as far ahead as 1992. He has a banquetting diary which acts as a kind of "bible" (a computer, I was told, could not handle the complicated transactions quickly enough), there are also diaries until 1993, bookings as far ahead as 1995 and calendars until 1999. Like many hotel managers, he has had a number of enquiries for New Year's Eve 1999.

Time management is Petrie's chief difficulty, particularly combining his free time with the times prospective clients want to see him. During his 35 years in the job, Petrie has seen many changes; today there are fewer debutante balls and tea dances, more annual meetings and corporate affairs, while the menus are now shorter and lighter. The most impractical change



The lull before the storm: David Petrie and his staff prepare to accommodate more than 300 people for a meal

is that those organising the functions lead more hectic lives and have less time to discuss their precise wishes with him. To fit all this in, Petrie starts at 8am and can be at the hotel until midnight four nights a week. At the weekend, two briefcases of notes of meetings with customers accompany him home.

Every two months Petrie produces a monthly list of all "functions" as they are so oddly called. This is followed by a banquetting weekly list and then a daily list. The time that his clients give him to work within, however, varies widely. The lunch for 330 that I watched is an annual affair which had been discussed in September; the dinner for 270 had, until 10 days before, been only a two-paragraph letter from the client and Petrie's final instructions had gone to his staff barely 24 hours before the event.

The paperwork is extensive and does not end when the final guest leaves. After each function the organiser is phoned for their comments; this is followed up with a letter and comments from the general manager asking for grades from poor to outstanding on the prior handling of the booking, the quality of the service, the quality of the food and the room layout and any further comments. But this is nothing compared to the paperwork beforehand.

The lunch for 330, which followed an AGM, called for an 11-page document; the dinner for 270, a mere seven pages plus a table layout, and of the total the food and

beverage details are only a small part. To serve 330 people three courses well in 70 minutes requires a combination of skill, discipline and practice. To handle 330 costs is another matter and to explain politely to the same number of people that they cannot, for security reasons, leave their briefcases wherever they want, takes great tact.

Last year noise had intruded from a service kitchen into an annual meeting; this year the doors were padded. Dietary requirements have to be spelt out, from gluten-free to strict vegetarian, and in the evening two baby grand pianos have to be hired at £475 each. Details of the flower arrangements, which will come to more than £500, are included, as are the names of the toastmasters, their fees and what they will be given to eat and when.

I tried to ingest all this before spending six hours in Petrie's shadow. At 10.15am there is a meeting with the chef, food and beverage manager and the banquetting head waiter to discuss the dinner. While the food will be as good as it can be it is obvious that, as this is a prestigious business affair, far more attention is paid to the more obvious signs of "luxury".

The service must be quick to allow the cabaret to start at 10.30pm prompt; the organiser does not want dirty plates on the table during the speeches. This raises a sardonic smile from the head waiter as he wonders who will clear them - his

staff will not be allowed in during the speeches. There must be plenty of hot coffee and so a further 45 silver thermoses will be borrowed from room service.

Once these discussions have been concluded - and they involved an Englishman, two Frenchmen, two Spaniards and a Turk, not all with perfect English - Petrie turns his attention to the lunch. Clutching his 11 pages he ticks off whether everything has happened on time. At 12.25pm the banquetting head waiter briefs the waiting staff and allocates their tables, while Petrie checks the layout. A government minister, who will speak at the lunch, is on his way and Petrie warns the organisers to be ready to welcome him. The toastmaster is informed and announces lunch which starts four minutes early.

During the lunch Petrie fulfils a variety of functions. He seats latecomers; as the main course goes out he becomes a human bollard between waiters carrying full trays of hot food at high speed and those returning with empty trays; simultaneously, pastry chefs are preparing 330 desserts and Petrie helps them by carrying a tray of small sorbets from the kitchen.

Everything goes smoothly and the lunch finishes three minutes early. Once he knows that the organiser is happy he pats his staff on the back and starts planning dinner. It is 2.30pm and he has just been told that the numbers have gone up from 250 to 270; good for business but it does mean reorganising the entire table plan.

APPETISERS

CHEAP white burgundy is now a contradiction in terms but last year's ultra-ripe vintage has provided us with remarkably similar-tasting substitutes at under a fiver: good estate bottled Muscadet 1989s.

The grape from which Muscadet is made is called Melon de Bourgogne. Burgundian Melon, and in the 1989 you really can taste the etymology. The wines are broad, ripe and have much the same sort of vaguely melon-like flavours as many of the best southern white burgundies, Pouilly-Fuissé perhaps. Go for a wine labelled "sur lie" that has leached extra flavours from the post-fermentation lees and make sure it is a 1989 with the name of a property or top producer such as Sauvion, Donatien-Bahaud, Bossard or Metairie on the label.

Any decent wine retailer will have at least one for well under £5 a bottle, but the more you pay, the closer you will get to the white burgundy combo of elegance and concentration.

FINE wine traders are not immune to the economic climate and there are some bargains to be had. Peter Wylie Fine Wines of Plympton in Devon (tel: 08947-555) has slashed about 10 per cent off his prices on more than £500,000 worth of fine wine in his December catalogue. An even better-priced range of his ends is available from Farr Vintners of London SW1 (071-835-1960) while Chigwell Wine Cellar in Essex (081-500-2074) has an intriguing but much smaller selection of fine wine oddments. A new list is due soon from Chigwell but the last one tempted with Chapoutier's 1982 Hermitage at just £10 a bottle and Alfred Gratien 1989 and 1994 champagne, for which £18 and £20 respectively looked worth betting on their longevity.

THIS WEEK the National Trust opened the doors of its first independent high street tearoom at 90 Goodramgate in York. Throughout England, Wales and Northern Ireland the Trust operates 113 tearooms and restaurants at historic sites with a combined turnover in 1989 of £8m.

The York site has independent access from the high street and was part of a medieval building and the only remaining part of the four gates to the old Minster Gate.

Now it is a non-smoking, waitress-service tearoom offering a tearoom's usual delights as well as Yorkshire specialities. Open 9am-6pm, Monday to Saturday.

NOMINATIONS for the Veuve Clicquot Businesswoman of the Year are being sought by award organiser Moira Collins on 071-450-6312. The award is run in association with the Institute of Directors and the winner earns prestige, champagne on every birthday and a trip to Reims for concentrated wining and dining. The nominator is also rewarded, with a dozen magnums of vintage champagne.

TEN POINTS TO REMEMBER WHEN BOOKING FOR A LARGE PARTY

1. What are the criteria for the most suitable venue?
2. What were my first impressions of the place I have chosen? What was the switchboard like and do they give the impression they want to look after me?
3. Will they do everything they say they will?
4. Will they be there when I arrive for my event?
5. Will the person I have dealt with be there on the day or will I be looked after by someone else? Who will get things done for me?
6. If things go wrong, who will rectify them? Will I have to make excuses to my boss or will the hotel handle that?
7. Do I like the accommodation offered and will it suit my guests?
8. Will the food be served hot and will the service be as good as it should be?
9. Is what they say they are going to do exactly what I want? If not, will they listen to me? Will they use catering jargon which I don't understand?
10. Are their prices such that I feel I will get value for money or will they persuade me to exceed the budget?

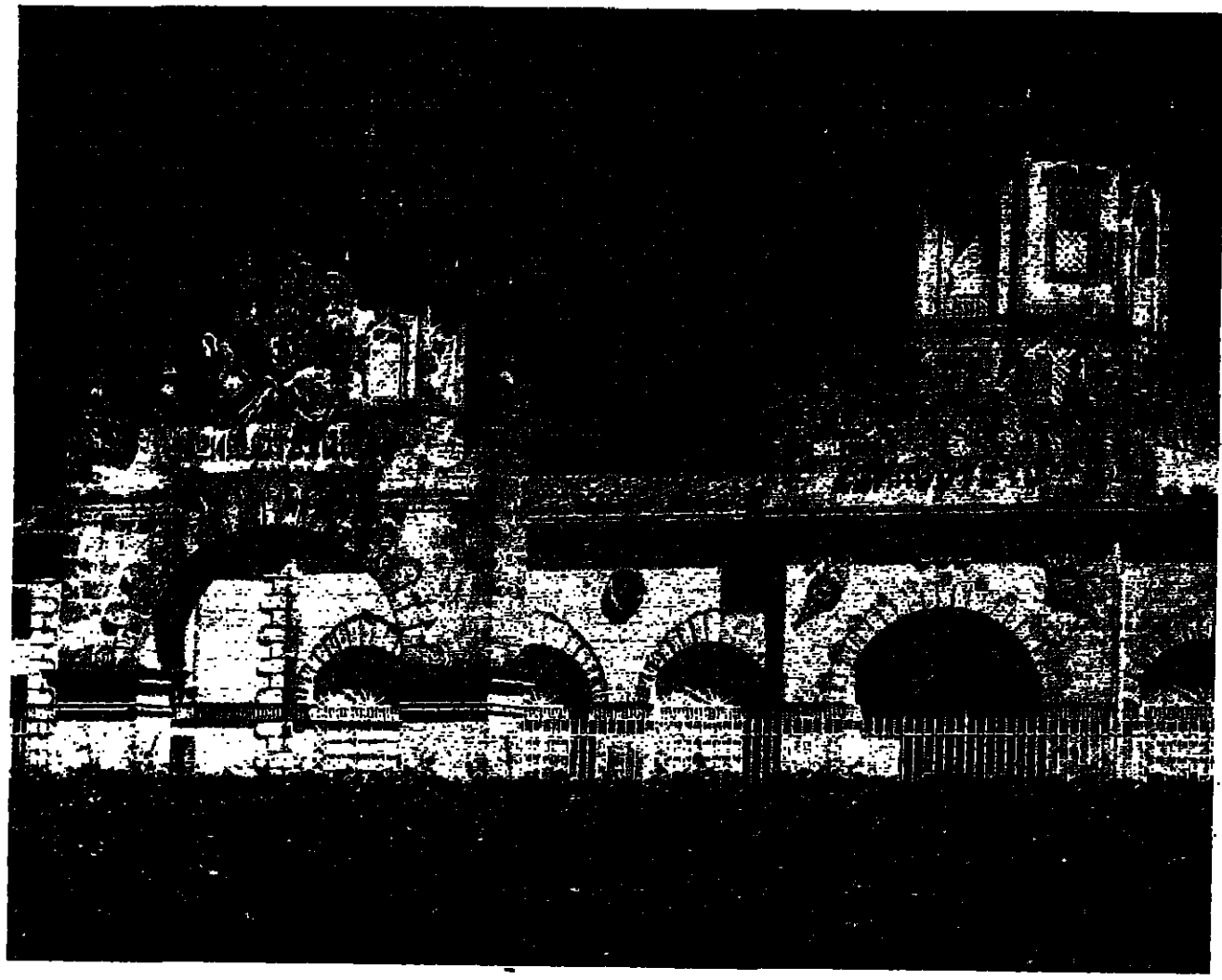
WHEN EVEN WE HAD DIFFERENTLY FOR DINNER

MOUTON CADET

Baron Philippe de Rothschild

FOOD & WINE

Bargain-hunting among the 1986 clarets



Château Cos d'Estournel, which produces a mulberry-scented St Estéphe

LIFE IS difficult for lovers of red Bordeaux at the moment. Far too high a proportion of the claret currently on sale on the high street is from the light and often disappointing 1987 vintage (although some Paillasses and Pomerols should charm those who do not see masochism as an essential element in young wine appreciation).

There is a smattering of 1988s, from lower rank châteaux but even they are too tough to drink with pleasure for at least a year. Those with proper wine collections of their own are presumably sitting on their cases of 1982s and 1983s wondering when to break them open (now is the answer with some 1988s).

If they have been hoarding for some time, they will be agonising over the relative merits of the 1978s and 1979s that are still surprising us. Because most claret is bought so young, perhaps a decade before it is ready to drink, collectors tend to be forced into positions on vintages long before reality catches up.

Whatever the merchants say, buying any fine wine in its infancy, especially before it is even bottled as is usual with

en primeur offers, is a gamble. Soon after the opening offers, wines from a given Bordeaux vintage tend to disappear from sight, only to reappear many years later in the auction room, in unsplit cases only, to be traded in a sphere far removed from those of us who might want to buy only the odd bottle or two.

There is, just, time to use more informed judgment to buy bottles of what have turned out to be the best 1986s, a vintage that seems to have got better and better during its two years in bottle. A recent tasting of 46 of the top wines organised by the Institute of Masters of Wine showed just why 1986 prices have been rising so confidently in Bordeaux.

Most of us had pushed this vintage to the back of both our minds and cellars for the moment, so larded with life-preserving but gum-numbing tannins was it in infancy. Indeed some merchants were even rather snuffy about offering it at all when it was first released. But when 1986 is good, it is very, very good indeed.

Tasting them en masse left an impression of wonderful England. There were clean, true scents, great balance and

the air of well-mannered restraint that many of us admire uniquely in great red Bordeaux. The wines, particularly consistent in Paillasses and St Julien, are correct, appetising and with few exceptions beautifully made. So much ripe fruit flavour hits the palate that you have to work at noticing the relatively high acid and tannin levels which suggest that this will be one of Bordeaux's longest-lived modern vintages.

Yet careful scouting around reveals bargains for future drinking - the 1986s are usually cheaper than the 1988s that will surely fade sooner - and those tannins are well in retreat already.

Some of the less concentrated wines such as Châteaux de Camensac and Smith-Haut-Lafitte as well as the two Paillasses second wines of first growths, Carruades de Lafite and Les Forts de Latour, could even - whisper it - be drunk now. Of these four particularly precocious 1986s, only the Carruades de Lafite would give me real pleasure. Direct Wine Shipments of Belfast (tel: 0282-238700), which will take on mail order customers from England, has this second wine that certainly shares something of the wonderfully

haughty aura and aromas of on-form Château Lafite itself. Its price of £15.95 is less than a quarter of the £70 that Justerini & Brooks is asking for the prototype, Lafite 1986, which did not thrill me anything like four times as much. But the bargain made at Lafite in 1986 is Ch. Duhaud-Milon, alluring, dense yet elegant, and available in limited quantities from Oddbins and from Peatlings of London EC1 and East Anglia (head office 0284-755947) at £12.99 (£16 from Justerini).

Oddbins also has the sound but slightly less exciting fifth growth Ch. Mouton-Baronne-Philippe made at Mouton for £11.99.

There are still some very worthwhile 1986 clarets to be had at under £10 a bottle, not just Davison's Clos de Marquis at £9.75 and the silky, plump and ready-to-drink Ch. Mancaillon currently sold by bigger Sainsbury's at £9.95 but the outrageously ambitious Ch. Sociando Mallet, which Peatlings of London and East Anglia has at £7.99.

Peatlings has one of the best ranges of claret, notably 1986s, in the country, including a particularly successful Ch. Haut-Bages-Libéral at £8.99. An even better buy for under a tanner can be found at that Aladdin's cave for northern wine lovers, D Byrne of Clitheroe, which sells the extremely substantial Ch. Chasse-Spleen for just £9.79 (Justerini's want £16, Lay & Wheeler £14.95).

This is a still-chewy, very deep-coloured wine with great extract that seems to be modelling itself more and more on Ch. Latour. You could probably drink it in the late Nineties. D Byrne's best bargain of all however must be revamped, Japanese-owned St Julien Ch. Lagrange which is already voluptuous and only £11.99 in Clitheroe (as opposed to £19.95 from Thoresen).

The bargain of the vintage has always been St Julien second growth Ch. Léoville-Barton. It will not be ready to drink until the end of the decade (very St James's, say my notes) but is a truly exciting wine that can be found chez Bibendum of NW1, Hungerford and Lay & Wheeler at between £14 and £16.45.

James Hogg of Edinburgh, on the other hand, still has some stocks of it at only £12.97. Aversy of Bristol has some

gaux's best buy, the dashing ambitious cru bourgeois Ch. Monbrison 1986 at £12.20. Of the so-called "super seconds" (i.e. second growths with quality and, increasingly, prices approaching first growth levels), Ch. Pichon Baron is a smash hit too and almost succeeds in outsteering there is no tannin at all lurking there under the licorice and treacle. Bibendum's price of £24.99 is a fair one, and the same as they are asking for the much more restrained and classic Ch. Ducru-Beaucallion, which is £24 from Peatlings.

John Townsend of Hull has by far the best price, £18.46, for its small quantities of the best St Estéphe, the mulberry-scented but snail-like Ch. Cos d'Estournel.

Other 1986s that look particularly promising, with the best prices I can find, include smoky but light Ch. Haut-Bataille (£13.59 from Willoughbys), pretty Ch. Pavie (£22.71 a magnum at Bibendum), extremely snail-like Ch. Grand-Puy-Lacoste (£15.95 from Davison's), flatteringly Ch. Léoville Poyferré (£16 from Berry Bros of SW1 and Basingstoke), a very respectable Ch. Lynch-Bages (£17.39 from Peatlings), slightly surly Ch. Palmer (only £18.15 from Willoughbys of Manchester) and the rather open top-top St Julien Ch. Chateau Blanc (£39.99 from Peatlings).

As for the brightest star of the entire vintage, the intoxicating and seductive Ch. Mouton-Rothschild, first vintage for new winemaker Patrick de Leon, Peatlings is one of the few retailers to list it (and Ch. Lafite and Latour), at the slightly silly price of £49.99 per bottle, or £569.88 a case.

Jancis Robinson advises on a trustworthy Bordeaux vintage

haughty aura and aromas of on-form Château Lafite itself.

Its price of £15.95 is less than a quarter of the £70 that Justerini & Brooks is asking for the prototype, Lafite 1986, which did not thrill me anything like four times as much. But the bargain made at Lafite in 1986 is Ch. Duhaud-Milon, alluring, dense yet elegant, and available in limited quantities from Oddbins and from Peatlings of London EC1 and East Anglia (head office 0284-755947) at £12.99 (£16 from Justerini).

Oddbins also has the sound but slightly less exciting fifth growth Ch. Mouton-Baronne-Philippe made at Mouton for £11.99.

There are still some very worthwhile 1986 clarets to be had at under £10 a bottle, not just Davison's Clos de Marquis at £9.75 and the silky, plump and ready-to-drink Ch. Mancaillon currently sold by bigger Sainsbury's at £9.95 but the outrageously ambitious Ch. Sociando Mallet, which Peatlings of London and East Anglia has at £7.99.

Peatlings has one of the best ranges of claret, notably 1986s, in the country, including a particularly successful Ch. Haut-Bages-Libéral at £8.99. An even better buy for under a tanner can be found at that Aladdin's cave for northern wine lovers, D Byrne of Clitheroe, which sells the extremely substantial Ch. Chasse-Spleen for just £9.79 (Justerini's want £16, Lay & Wheeler £14.95).

This is a still-chewy, very deep-coloured wine with great extract that seems to be modelling itself more and more on Ch. Latour. You could probably drink it in the late Nineties. D Byrne's best bargain of all however must be revamped, Japanese-owned St Julien Ch. Lagrange which is already voluptuous and only £11.99 in Clitheroe (as opposed to £19.95 from Thoresen).

The bargain of the vintage has always been St Julien second growth Ch. Léoville-Barton. It will not be ready to drink until the end of the decade (very St James's, say my notes) but is a truly exciting wine that can be found chez Bibendum of NW1, Hungerford and Lay & Wheeler at between £14 and £16.45.

James Hogg of Edinburgh, on the other hand, still has some stocks of it at only £12.97. Aversy of Bristol has some

gaux's best buy, the dashing ambitious cru bourgeois Ch. Monbrison 1986 at £12.20.

Of the so-called "super seconds" (i.e. second growths with quality and, increasingly, prices approaching first growth levels), Ch. Pichon Baron is a smash hit too and almost succeeds in outsteering there is no tannin at all lurking there under the licorice and treacle. Bibendum's price of £24.99 is a fair one, and the same as they are asking for the much more restrained and classic Ch. Ducru-Beaucallion, which is £24 from Peatlings.

John Townsend of Hull has by far the best price, £18.46, for its small quantities of the best St Estéphe, the mulberry-scented but snail-like Ch. Cos d'Estournel.

Other 1986s that look particularly promising, with the best prices I can find, include smoky but light Ch. Haut-Bataille (£13.59 from Willoughbys), pretty Ch. Pavie (£22.71 a magnum at Bibendum), extremely snail-like Ch. Grand-Puy-Lacoste (£15.95 from Davison's), flatteringly Ch. Léoville Poyferré (£16 from Berry Bros of SW1 and Basingstoke), a very respectable Ch. Lynch-Bages (£17.39 from Peatlings), slightly surly Ch. Palmer (only £18.15 from Willoughbys of Manchester) and the rather open top-top St Julien Ch. Chateau Blanc (£39.99 from Peatlings).

As for the brightest star of the entire vintage, the intoxicating and seductive Ch. Mouton-Rothschild, first vintage for new winemaker Patrick de Leon, Peatlings is one of the few retailers to list it (and Ch. Lafite and Latour), at the slightly silly price of £49.99 per bottle, or £569.88 a case.

Château Mouton-Rothschild 1986 will gain value steadily, not just because the individually-commissioned label design adds extra allure for collectors. This trio of masks was commissioned from the Haitian artist Bernard Séjourné, an accomplished example of his style.

NUMBER XI. OF BUNGHOLE AND HOOTHOLE (JAN. 1986) (THE ANGEL'S)

GLENMORANGIE

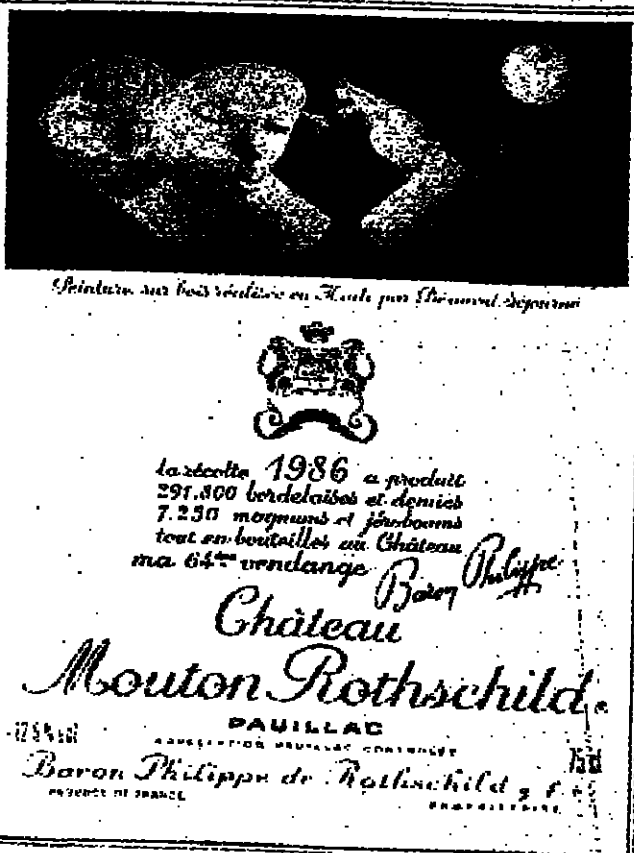
10 YEARS OLD
SINGLE HIGHLAND MALT
SCOTCH WHISKY



John Urquhart,
Head Cooper,
practises his patient craft in
the low, whitewashed cooperage
of the Glenmorangie Distillery.

He carefully reams each bung-hole to a PERFECT fit. Johnny acknowledges that during the malt's TEN YEARS in the wood, much will be lost to the angels through evaporation; but why, he reasons, should they receive more than their due share?

HANDCRAFTED BY THE SIXTEEN MEN OF TAIN



Château Mouton-Rothschild 1986 will gain value steadily, not just because the individually-commissioned label design adds extra allure for collectors. This trio of masks was commissioned from the Haitian artist Bernard Séjourné, an accomplished example of his style.

JP 11/10/150

FOOD & WINE

A complete load of pigswill

CLOSE TO the start of the M40, in a leafy lane on the outskirts of Denham, Buckinghamshire, is a farm of vital importance to the well-being of many of London's top restaurants and hotels. But the farm does not produce a single vegetable or handmade cheese to grace the table. Rather the reverse. This farm, along with seven others scattered around London, keeps the city's kitchens and restaurants clean by taking away the leftovers.

The farm is home to Joseph Patrick O'Hara and his family - who have owned it for the past 50 years - a herd of cattle and 800 pigs.

During a working week that is never less than 50 hours O'Hara wears two hats: that of farmer and that of "pig-bin man", a role in which he is sought by many of London's top chefs.

Commercial kitchens, like any busy office, produce an awful lot of rubbish: paper, glass and plastic. They also generate a huge volume of very particular rubbish which has been recycled for longer than today's bottle banks and recycling centres have been in operation.

Vegetable peelings, unwanted salad, leftovers scraped from returned dinner plates, meat trimmings and fish bones and the miscellaneous mound that remains in the bottom of a stock-pot when the liquid has been strained off, are collected together to form swill.

Normal commercial rubbish, often unsightly enough, may be put out for the refuse collectors but even the most robust human will not touch what goes into pig bins. Swill is spelly, heavy and often very,

very wet. To make sure that it does not leak, everything is put into metal dustbins, about 2ft 6in high, stashed as far away from the cooking area as possible, and stews there awaiting the arrival of O'Hara, or his competitors, who will call on their biggest customers every day.

London's busiest kitchens, those belonging to the large hotels and hospitals, can produce up to eight full pig-bins a day. To collect all these, O'Hara sets out at 5am on his daily run. During the early morning he will visit 40-45 hotels and restaurants, among

Nicholas Lander visits a farm crucial to many top restaurants

them the Royal Garden Hotel, Wheeler's, various hospitals and some of the eating establishments in Soho.

By 10.30am he will be back at the farm and have the bins unloaded into storage tanks; the unwanted relics of the chefs' art will then be heated to kill off the germs and transferred to another storage tank to be stored until needed. Then the swill will pass through a pipeline to feed the pigs; nothing is wasted.

It would take a vivid imagination to think of a less glamorous job than that of the pig-bin man. As well as the stench, there are the sheer physical demands of the job involved: the bins are heavy, even when empty, and are usually situated in the most awkward corner of the kitchen, or, commonly, in a basement. The bins

often have to be manhandled up to ground level and then on to the vans, with terrible consequences for anyone's back. O'Hara's two brothers, Mick and Gerald, aged 32 and 37, have already had to give up the trade because of damaged backs.

Although the number of restaurants in London is increasing and with it the demand for O'Hara's services - while I was there the chef from Scott's in Mayfair was on the phone asking for a quotation - the pig-bin men are as unhappy as most farmers at the moment.

Over the past five years the number of companies around London collecting this type of restaurant refuse has fallen from about 20, some of whom had two or three vans, to about eight. This decline has been in spite of achieving higher prices for their services. Until five years ago the pig-bin men used to pay 25p for the privilege of taking away your bin; from 1985 until 1987 they paid nothing, and since 1987 they charge up to about £20 per month.

The main reasons for this change are the falling prices in real terms of pigs at the slaughterhouse, and the increased demand for leaner pork and bacon from more health-conscious buyers. However, has led to stricter quality control over what the pigs are fed.

O'Hara's biggest enemy over the past decade has been inflation. Transport and labour costs have risen far too quickly. He has, not surprisingly, great difficulty in recruiting labour, however much he offers, while his diesel costs have risen substantially since August 1989.

While O'Hara seemed philosophical about the economic cycles of his life as a farmer he is concerned that the job he does, disposing of a kitchen's rubbish, is usually ignored. He knows how important his regular visits are to commercial kitchens and can easily spot those kitchens which are reluctant to pay the small charge he makes. Those restaurants try to mix their swill with the rubbish normally left out for the binmen and their pavements quickly turn wet, slippery and smelly. Like the bad cartoon joke, a rogue banana skin or a mound of slippery fish bones can then easily become a health hazard for any passer-by.

It is London's chefs, intent on keeping staff morale high and their kitchens clean, who fully appreciate the importance of the pig-bin men, even if there is no mention of them in their catering manuals. They can smell the difference when a sore back prevents O'Hara from making his daily call.



Costly flower-power

A HUNDRED miles south of Madrid on the plain of La Mancha the villages are unobtrusively but intensely busy at the end of October. It is the time of the saffron harvest, and the stakes are high.

When exported in bulk, powdered saffron fetches around £800 a kilo. Packaged in sachets of 0.125g it retails for 50 pence, or £4,000 a kilo. For top-quality Mancha stigmas, the retail price is about £2.20 a gram, £2,200 a kilo.

By comparison, white truffles retail at something like £400 a kilo and good quality Beluga caviar at about £600; saffron is by far the most costly food commodity in the world.

The violet-coloured crocus, *Crocus sativus*, flowers for a brief period once a year, casting a bluish haze over the red earth. The pickers are bent double, straddling two neat rows as they move slowly down the field, gathering all the flowers into a soft wicker basket that hangs from the waist.

The roses, as the crocus flowers are called, bloom overnight and must be picked the following day. Work starts at dawn, to be finished before the sun is high. The harvest goes on for about two weeks, as each bulb continues to produce more flowers. It is all done by hand.

The baskets are taken back to the village where the women, sometimes helped by the children and the elderly, pluck the three red stigmas from the roses. They work swiftly twisting the base of the flower and withdrawing the stigmas. Each one has a small plate with a tiny mound of vivid red threads on one side and a heap of discarded mauve petals on the other. It takes six skilled people about 50 minutes to extract the stigmas from a basket containing several thousand roses.

Small quantities of the stigmas are put on a drum sieve and toasted gently for about an hour over a smokeless brazier or on a contraption projecting from a Calor gas heater. They are inverted periodically onto another sieve, to ensure even toasting. When ready, the saffron is stored in

plastic bags in a cool dark place.

The "wet" stigmas have only a faint aroma, but toasting fills the room with the heady, pungent smell - to me rather like a blend of musk and tea - that characterises saffron. Saffron production is very much a family business. The plots are small, usually 500 sq metres, a size that can be managed by one family. The land is often rented for three or four years; after growing saffron the soil is exhausted and needs to lie fallow for ten years or more.

The farmers keep their saffron and sell according to their needs. A family produces 3 lbs to 4 lbs each year, and properly toasted it will keep for up to three years. They do not adul-



The saffron crocus

terate their saffron - it is too important; it is still seen as a form of currency in the villages.

Representatives of wholesalers travel around, sampling and buying. The current wholesale price for saffron is 80,000 pesetas (about £280) per pound - a Castilian pound has 460 grams, rather than 454, and those six grams are significant given the price of saffron.

The stigmas lose 80 per cent of their weight in the toasting process: it takes about 80,000 roses to yield five pounds of stigmas which, when dried, produce 1lb of saffron. It is reckoned that it takes about 200 hours of labour from planting to toasting to produce that pound.

The quality of saffron is judged by its deep red colour: the best quality, called *coupe* in the trade, has no yellow

threads at all. Yellow threads, from the style of the flowers, are introduced in some areas because of different plucking techniques and to give more weight. Indeed, there is now a suggestion that the inclusion of some of the yellow styles improves taste and aroma.

Over the centuries saffron has been adulterated by merchants with a variety of cheaper substances, including hair, shreds of meat, safflower and marigold petals, cornsilk and straw. Powdered saffron is even easier to adulterate than the stigmas, so unless it comes from a reliable supplier it is better to buy whole threads.

Incidentally, since saffron has a shelf life of two or three years it makes sense to buy in larger quantities if it is a spice you use regularly. Spain exports some 60 per cent of the world's saffron requirements, and 70 per cent of that comes from La Mancha and is of the best quality.

Kashmir, Turkey, Greece and Iran also produce saffron, but it is regarded as less reliable than Spanish. In Spain consumption has declined, although it is still an essential ingredient for paella. In Italy - easily the world's biggest consumer - it goes into Fernet Branca and risotto milanese. In France it is used for bouillabaisse and in Saudi Arabia and the Gulf states it is sometimes added to coffee and is said to endow men with vigour. In India it is used for all manner of dishes. In Sweden it is much in demand at this time of the year for making buns for the feast of Santa Lucia on December 13; in Japan there is a move to use it with seafood; the Americans primarily colour rice with it. In Britain we seem almost to have forgotten our traditional saffron cakes and breads, and when we use saffron at all it is more likely to be for a dish imported from elsewhere.

We have certainly forgotten about its cultivation in East Anglia in the late Middle Ages, but the museum at Saffron Walden has some interesting documentation, and should you want to try growing your own saffron, you can buy corns from there.

Jill Norman

FOR a wine list unrivalled in the UK in length and diversity, look no further than Lay & Wheeler of 8 Culver Street West, Colchester. Its list is very much based on growers' rather than merchants' wines, which means that wines have been tasted during visits to the vineyards.

Lay & Wheeler's new, large-format, 110-page list (£2 to non-customers and worth it for bedside reading), not only contains extensive introductions to each district, region or country, but also many tasting notes for wines on which it wishes to comment specially.

Although the company is very professionally run, the list presents an agreeably relaxed impression. It begins with the personal selections of Richard Wheeler and two of his colleagues who clearly enjoy the wines they have chosen and hope to pass on to their customers. Prices are realistic, if not what is commonly described as competitive, but the company's stock-holding must be very large.

It makes a virtue of its provincial location by each year inviting some wine writers to make a selection from its autumn list, followed by a well-planned lunch in a restaurant on the edge of Constable country.

This year it offered an optionally blind tasting of 39 wines, but after half a dozen I turned to my crib. Blind tasting is of great value when comparing similar wines, especially when there is a choice for buying, but trying to identify so many white and red wines - while amusing and of interest - is a guessing game in which I do not pretend to be very skilled. So here are the wines that I particularly noted.

WHITE
Cotes de Gascogne, Dom de Rieux, 1989 (£3.50). Slight colour, with an engaging bouquet and a surprisingly fruity flavour for a *vin de pays*, made from the Ugni Blanc and Colombard grapes, normally used for distilling into Armagnac. Very good value.

Pinot Blanc, St Helena, 1989 (£6.30). Produced near Christchurch, New Zealand, it has an attractive smoky aroma, and a very clean, dry flavour. A wine of class.

Pinot Gris Réserve Spéciale, Schlumberger, 1985 (£10.65). A typical dry Alsace, with a distinguished bouquet that comes out of the glass and a certain residual sweetness.

Pouilly Fumé, Château de Tracy, 1988 (£18.60). For many years an undervalued, elegant wine from a large, but underdeveloped domaine now in the

Professional provincials

Edmund Penning-Rowell samples Lay & Wheeler's wine list



Racking the vintage: detail from the Lay & Wheeler catalogue

course of extension. Certainly one of the best Pouilly-Fumés, dry but with lots of underlying fruit.

St Véran, Les Grands Brûlères, Dom Roger Luquet, 1989 (£5.75). With a slightly austere, closed nose, there is plenty of fruit on the palate; a distinctive wine from an often rather disappointing appellation.

Chardonnay, Sunnycliffe, Victoria, Australia, 1985 (£5.85). A rich Chardonnay, but like so many Australian ones, over-oaked, though some like it this way.

Chardonnay, Sonoma, Simi, 1985 (£9.30). Unlike the above, this is dis-

in Sauternes. This has enough acidity to balance the Sémillon-induced liquorous flavour. Delicious dessert drinking.

RED
Coteaux de Murviel, Dom Limbar-die, 1989 (£3.78). This Midi wine from a new property near Beziers is a blend of Cabernet-Sauvignon, Merlot and the more typical Grenache that has resulted in a fruity, full-flavoured wine with a good acidity, and already very drinkable. A bargain for everyday consumption.

St Amour, Dom Denis Barbelet, 1989 (£7.33). Normally one of the lighter Beaujolais, this is elegant, well-balanced and very attractive drinking now.

Nuits-St-Georges, Clos des Forêts St Georges, 1987 (£22.30). A premier cru from the Dom de l'Arlet, it has a lovely ripe Pinot nose, and for the vintage a surprisingly big, long flavour. In the expensive terms of red burgundy today this is a rewarding wine for the money.

Martinborough Vineyards, Pinot Noir, New Zealand (£10.30). Although without quite the distinction of the white wine, this light, soft, easy-drinking wine has real Pinot style.

Lay & Wheeler Claret, 1988 (£4.28). Bottled in Libourne by the distinguished firm of J-P Moueix, for my taste this young claret is dominated by the tannin of a fine but tough vintage. Worth keeping for another year or two.

Cabernet-Sauvignon, Sonoma, Simi, 1984 (£8.95). Although distinctly oaky on the nose, there is plenty of fruit and a good balance. Mature and easy, attractive drinking.

Ch St Pierre, St Julien, 1982 (£19.45). From a fourth-growth, classified estate that has come to the fore in recent years, this shows that the fine '82 clarets are beginning to come round. Not a big wine, this has a gamey bouquet, well-developed flavour and is already drinkable.

Ch Ducru-Beaucallot, St Julien, 1978 (£36.70). Unquestionably expensive but rare on the market. This is a top St Julien with a true, elegant claret and in my view should be put away for some years yet.

Cotes du Rhône, Gaillac, 1986 (£5.75). From a top merchant in the northern Rhône, one must agree with Lay & Wheeler's assessment that this fruity, but not over-powerful wine, with real style, is way above its appellation in quality. Very good value.

Crozes-Hermitage, La Guiraudem, Dom Alain Graillet, 1986 (£7.68). For its full flavour, combined with some of the distinction of Hermitage, this is superior to many Crozes.

Havana Cigars
Unique since 1492

For a list of leading Havana Cigars stockists throughout the UK, write to:
Havana Cigars (F) • 30, St. James's Street • London SW1A 1HB

FOOD & WINE

Digestive tracts

Philippa Davenport sifts through this year's cookbooks

SORTING through this year's crop of new cookbooks in search of Christmas presents, I am struck by the sheer size of many of them. Some are wrist-achingly heavy, so lush with colour photography that they make my eyes glaze, so large in format that they will not fit on my elderly bookshelves.

A tome entitled *The Way to Cook* by Julia Child (Bodley Head £25) is more than 11 inches tall, 9½ inches deep and weighs more than 5lb. Books like these seem designed for coffee table display rather than to read and to cook from with greedy pleasure.

Another trend I dislike is the publication of American cookbooks in the UK without any attempt to anglicise them. American spellings are one thing but how many Britons know what slab bacon, cilantro and confectioner's sugar are?

I shop, cook and think in pounds, ounces and imperial pints. I can, at a pinch, cope with metric but my tolerance threshold of cup measurements is low. Cookbooks that do not give metric and/or imperial alternatives to cups are maddening. Those that do not even inform the reader clearly what the capacity of an American cup is, and explain the difference between imperial and American pints, are little short of useless.

I have a problem, as the Americans would say, with such words as gourmet, microwave and healthstyle, so it was with clenched teeth that I opened Barbara Kafka's *Microwave Gourmet Healthstyle Cookbook* (Barrie & Jenkins £17.99), which my colleague Giles MacDonogh has written about in more detail in the accompanying article on this page. Kafka is reputed to be the high priestess of microwave cookery writing and I warned to her for including a section entitled "what the microwave does badly," which begins "the microwave cannot roast, grill, sauté or stir-fry... it browns foods seldom and badly".

If you own a microwave oven, can cope with cup measures or the metric equivalents (both are given throughout this book), if you aim for a leaner and fitter 1991, and are less of a crusty old bag than I, this book may well interest you. More general microwave

cookery is well covered in Kafka's earlier book, *Microwave Gourmet*, available in paperback (Headline £5.99).

The third trend I have noticed this year - and this, you may be relieved to hear, is one I approve of - is the marked shift away from elaborate cuisine back to simpler and more comforting cooking of the sort that housewives and bistros can do so well.

The foods of France are well represented by two French women living here and an American based in Paris. *Bistro Cooking* by Patricia Wells (Kyle Cathie £14.99) is full of whacky American enthusiasm and generous helpings of comfort food. Solid ingredients are given in imperial and metric as well as cups; curiously, liquids are given in cups and metric only. The illustrations are fun - a handful of 1920s and 30s photographs of cafés, bars and bistros plus a smattering of moody sketches evocative of the period.

Marie-Pierre Molne's *Cuisine Grandmère* (Barrie & Jenkins £14.99) offers another whiff of nostalgia but this more personal book stays firmly in the domestic kitchen. The recipes are those of the author's grand-

Next week: In another four-page food and wine special Edmund Penning-Rowell, selects the best in wine reading

mother and others, remembered from her childhood in the 50s. Many have been handed down for generations, given a little sensible updating but never losing sight of their essential character. This is a practical and very pleasing collection, nicely illustrated with a lively selection of French food labels and advertising.

The Frenchwoman's Kitchen by Brigitte Tilleray (Cassell £16.95) is a more lavish production, the record of a year spent travelling through France, which successfully blends personal diary with notes on the people and produce of the regions, lots of recipes gleaned from rural kitchens in each area, and oodles of full colour photographs. The pictures belong to the effusive gastronomic genre that seems so dear to the hearts (and earn-



Books for eating: Philippa Davenport with a spread of this year's cookery tomes

ings?) of cookbook publishers today. The recipes sound terrific, just the thing to tackle when holidaying en gîte.

Recipes from a Spanish Village by Pepita Aris (Conran Octopus £15.99) also strikes me as over-illustrated but, although some of the pictures may be purple, the prose is unsentimental. Aris is a conscientious researcher; her text is affectionate yet crisp and her recipes are exceptionally clearly written. In spite of the title, the recipes come not from one village but from many regions and are richly varied.

Another informative and appetising introduction to the foods eaten by the people of the Iberian peninsula (as opposed to what they serve us on the Costa Turística) is to be found in *The Foods of Spain and Portugal* by Elizabeth Lambert Ortiz (Headline paperback £5.99).

Ah, paperbacks. How I appreciate their modest proportions, reasonable prices and lack of unnecessary illustration. Welcome reissues include Arabella Boxer's admirable *Mediterranean Cookbook* (Penguin £7.99), *The Second Classic Italian Cookbook* by Marcelia Hazan (Paperback £9.99), *Simple French Food* by Richard Olney (Penguin £8.99), and Elizabeth Romer's *Italian Pizza and Savoury Breads* (Grafton £9.99).

Other paperbacks likely to prove popular this Christmas include *The Essential Josefine Dimbleby* (Simon & Schuster £7.99), Claudia Roden's *The Food of Italy* (Arrow £9.99) and Alan Davidson's *A Kipper With My Tea* (Paperback £7.99).

Best value of all are paperback originals, and one of the

most desirable is David Mabey's *Everything in the Garden* (BBC Books £4.99). Brief but thorough and reliable, it gives all the low-down on traditional preserving methods, including smoking fish, making soft cheeses and cider.

All for One by Janette Marshall (a Penguin original, £3.50) is intelligent and unpretentious, practical and imaginative. The many recipe ideas are healthily restrained in their use of red meat, sugar and fat, and there are plenty of good cosmopolitan suggestions for meals and snacks emphasising deliciousness, salads, stir-frys, pasta, pizza and pulses. It is sure to appeal to hurried and not-too-moneyed young cooks, a worthy successor to the best-selling bibbles of yesteryear by Katherine Whitehorn and Jocasta Innes.

I wrote earlier this year about the impracticality of most chefs' recipes for home cooks. Joyce Moynaux is a blessed exception and her *Carved Angel Cookbook* (Collins £16.95) is a joy to cook from. If you want a little more challenge, I recommend Shaun Hill's *Giddeigh Park Cookery Book* (Century £15.99). His food is superb and his irreverent sense of humour is a delight.

Another exciting young chef is Deborah Madison, founder of Greens restaurant in San Francisco. Her book *The Savoury Way* (Bantam £16.99) crackles with inspired combinations of tastes, textures and colours, many of them brilliantly simple. Such seductive vegetarian cooking deserves to win over many convinced carnivores.

Black marks to the publishers, however, for making no concessions to the UK market

other than reprinting the cover so that the word savoury is spelled the English way.

In May I wrote that I doubted whether any other book on food this year would please me as much as *The Cook's Garden* by Lynda Brown (Century £15.99). It remains my first choice, a treasure of reading, cooking and gardening companion.

My second favourite - this one mainly to read rather than to cook from - is Londoner's *Larder* by Annette Hope (Mainstream £14.99) which traces the history of English foods and cooking from Chaucer to present day through the lives and

writings of literary Londoners. A lovely idea and beautifully executed. I have only dipped so far but it is one of those books I am reluctant to put down, so, back to my armchair...

Returning to the subject of saltpetre, Philippa Davenport points out that the recipe for Spiced Beef, which she gave last week, can be made without saltpetre. If this is omitted the meat will look grey rather than an appetising pink (but the taste will be the same) and it will not keep so well. Wrap and store the joint after cooking as described but eat within a few days of cooking.

Appetisers

WHILE DOING all the food shopping for Christmas and the New Year's can be pleasurable it can also be backbreaking. Taking advantage of the growing number of farms selling direct by overnight carrier can be one answer.

Swaddles Green Farm, run by Bill and Charlotte Reynolds, in Chard, Somerset (tel: 045-084-387), produces all types of meat and poultry to national standards laid down by the Organic Farmers and Growers Association and offers free delivery within the UK for orders over 25lbs.

For Christmas there are American broiler turkeys, the original turkey breed, at £2.50 per lb, and free range white turkeys at £3.50 per lb. They also produce organic salami, particularly oak smoked bacon as well as organic sausages to stuff the organic turkey.

trose has useful halves of Chateau Bastor-Lamontagne 1988 at just £4.45, Safeway at £4.89 and Oddbins at £4.99. This luscious, meticulously made wine can be drunk now but has quite enough acidity to see it through for many years yet.

Returning to the subject of saltpetre, Philippa Davenport points out that the recipe for Spiced Beef, which she gave last week, can be made without saltpetre. If this ingredient is omitted the meat will look grey rather than an appetising rosy pink (but the taste will be exactly the same) and it will not keep so well. Wrap and store the joint after cooking as described but eat it within a few days of cooking.

A last-minute dinner party to organise? Selfridges, of Oxford Street, London, has the answer with a telephone order service. In addition to French turkeys, smoked ham, Scottish salmon and game there is an increasing range of food in the new Fauchon delicatessen. Fresh produce is available from the store's fishmongers, butchers, bakers, etc.

Next day delivery is guaranteed for orders placed before 3pm the previous day. Christmas orders can be taken until 3pm on Friday December 21 for delivery on the following Monday. A £2 surcharge is payable on orders under £25. Orders are taken on weekdays and delivery is to the following London postal districts: W1, W2, W8, W9, W11, NW1, NW8 and to NW3 on Thursdays only. Tel: 071-491-3663.

Of microwaves and microbes

Giles MacDonogh on problems for the food industry

NOT SO long ago microwave ovens and unpasteurised cheese became the unlikelyst of bedfellows when the Ministry of Health isolated them both as a source of listeria infection.

In all justice neither particularly deserved the treatment they received in the wake of the Ministry of Health's communiqué. The cheesemakers fared worse. Eleven out of 12 Cheshire cheesemakers will be installing heat-treating equipment - and counting the cost that entails - in the next few weeks. The microwave manufacturers and television dinner makers got off comparatively lightly; neither industry has actually gone to the wall.

The strange combination of microwave ovens and unpasteurised cheese came together in my diary recently. I had pencilled in a tasting of farmhouse cheeses, organised by Randolph Hodgson of Neal's Yard Dairy in Covent Garden, London, and the launch of *Microwave Gourmet Healthstyle Cookbook* by Barbara Kafka, one of America's most respected cookery writers.

I do not possess a microwave oven and I have never given a thought to acquiring one. I have always believed - and still do in spite of Kafka's eloquence - that the real purpose of the device was to cut corners. In pubs or hotel restaurants a microwave oven allows food to be plated, to use ugly modern restaurant jargon, and simply finished off in the oven.

"Busy housewives," we learn, also treasure their microwaves as it means that they can swiftly heat prepared meals for their husbands and children. It was in this last context that the Ministry of Health was obliged to step in, as the reheating process left gaps which did kill off the listeria pathogens lurking in frozen food.

To her credit, Barbara Kafka was not having any of this. Her book, as I suppose one might guess from its title, has nothing to do with television dinners. Kafka goes one better than dismissing the short-cut mentality, she says the microwave oven actually cooks a number of things better than a conven-

tional device - including fish, vegetables, chutney, curry, jam, jelly, fruit, anything not requiring fat to cook it such as daubing, risottos, terrines or anything *en papillote*. It is also excellent for stocks, as it is quick to extract gelatine from bones.

The real advantage, however, is for weightwatchers. Fat is unnecessary in microwave cookery. It can therefore be added sparingly as a flavouring agent as the dish is brought to the table; hence the ungainly title of Kafka's book.

No shimmer in his right mind would gorge himself on traditional British cheeses. Although they come stuffed with protein they also contain everything bad in Kafka's book: fat.

The fat comes from the creamy milk of animals nurtured on lush pastures and you can literally taste the quality of the grazing land when you eat cheese made from raw milk. These nuances of flavour are removed by pasteurisation. Earlier this year it looked as if the government would oblige cheesemakers to fix a health warning to raw milk cheeses. Fortunately, however, the new guidelines are less draconian than they might have been and cheesemongers will enjoy the right to mature cheeses at whatever temperature they see fit, even if they are forced to sell them at 8°C for hard and 5°C for soft. At 8°C Cheddar will be fine but, if you have bought a soft cheese, such as Brie or Camembert, you will have to leave it out for a few hours if you want to enjoy it at its best.

The government's reprieve had induced a mildly optimistic mood at the Neal's Yard tasting. John Curtis, of Bonchester, was exporting to France "Tom cheese, of Colbein's in County Cork, was planning a return to raw milk since his cheese had simply not been the same since pasteurisation. For anyone who remained in doubt as to the superiority of well-crafted cheese made from unpasteurised milk, there were the last of the Cheshires - as made by the Abbeys of Shropshire - which had all the lingering acidity of great wine.



Say che-e-e-se: Randolph Hodgson of Neal's Yard Dairy

Wine rarities

A FEW rarities made very good prices at this week's Christie's finest and rarest wine sale, but sought-after vintages of esteemed Bordeaux Châteaux generally no more than maintained levels reached a year ago. But, mostly, they did sell.

Single bottles of Lafite 1870 made £1,550, Mouton-Rothschild 1978 £950, and Latour 1888 £900.

An assortment of 29 bottles of 14 vintages of Yquem from 1866 to 1967 made £13,600, with the celebrated 1868 leading at £1,400 for a single bottle.

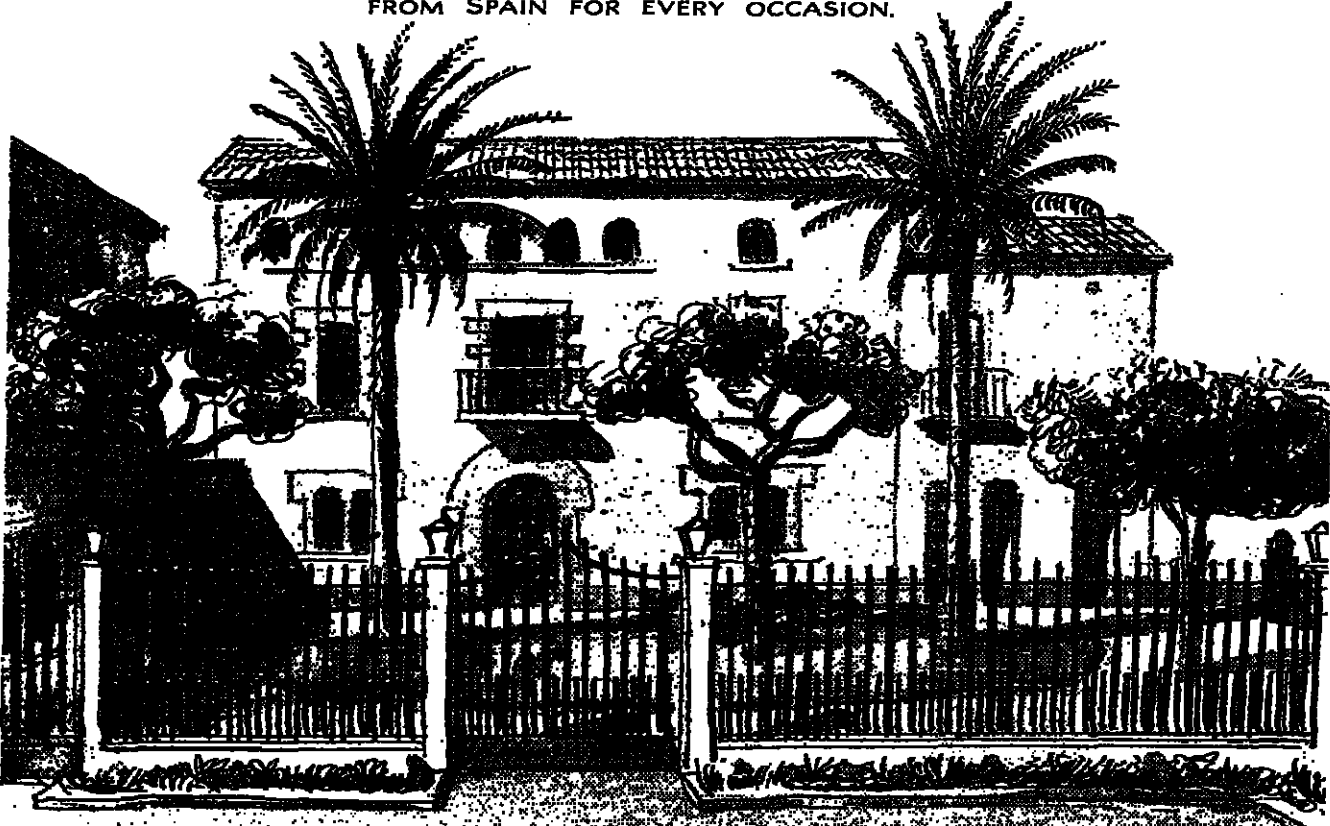
Among more modern years, a case of Mouton-Rothschild '59 brought £2,300 and another of '61 fetched £3,000. Some high-reserve '61s did not sell, but one of only 55 Latour imperials (eight

bottles) made in that year went for £4,600. Other '61 prices were £2,500 for Palmer, £980 for Ducru-Beaucallou, £320 for Lynch-Bages and £800 for L'Evangeliste.

Several vintages of Pétrus made good prices, with the rare '63 fetching £7,000 a case, '68 £2,600, '70 £2,400, '76 £1,350, and '79 £1,300. The most interesting item in the sale was a parcel of 49 cases of Latour '70, sold in 16 lots at prices between £720 and £780 a dozen. They had been bought in July 1974, for £2,740. They went for a total of £36,240 - a handsome profit, even allowing for the pound's value.

Edmund Penning-Rowell

AS YOU TRAVEL, IT SOON BECOMES CLEAR THAT SPAIN OFFERS AN OPPORTUNITY TO SAMPLE SOME VERY GOOD WINES IN PERFECT SETTINGS. THE BARS AND CAFES NOT ONLY PROVIDE REFUGE FROM THE SUN, BUT A WIDE SELECTION OF COOL, FRAGRANT WINES ARE ONE OF THE GREATEST REWARDS. AT LUNCH, IN THE COBBLED SQUARES AND COURTYARD GARDENS, THE LIGHTER REDS ARE GOOD COMPANY FOR LOCAL DISHES, AND ALWAYS MAKE EASY DRINKING. DINNER, USUALLY CALLS FOR ONE OF SPAIN'S FULL-BODIED OAK-AGED RED WINES. WHEREVER YOU GO, YOU'LL FIND A WINE FROM SPAIN FOR EVERY OCCASION.



THE SPAIN JUST WAITING TO BE TASTED

WINES FROM SPAIN, 66 CHILTERN STREET, LONDON W1M 1PR

SMOKED SCOTTISH SALMON

The very best file smoked pack £8.15.
25lb smoked side £24.75. All times vacuum. VAC Pack, 1st class post paid.
Cheques with order to:

LOCHENGOW
Tongland Farm
Kilchreigh, DG6 4LU or
Tel 0557 30361 (7 days) Access/Vin
Specialists in Company Orders

Win Sokoln Winemercant - 178 Madison Ave (33-34) N.Y. 10016
Tel: 212 694 3827-532 5883-4-5 Fax: 212 4477808 or 673 0552

Offers for sale the following LIQUID ASSETS...

CATALOGUE ON REQUEST

1982 BORDEAUX	1986 BORDEAUX	OTHER BORDEAUX
Lafite...\$1680 (100 cases)	Lafite...\$80 (100 cases)	76 Pichon Lalande-880
Haut Brion 980	Latour 720	85 Pichon Segla-200
Margaux 1080	Haut Brion 720	300 cases for 180
Cheval Blanc 1200	La Mission HB 480	83 Haut Brion 640
Ducru Beaucallou 840	Margaux 980	79 Haut Brion 720
	Cheval Blanc 720	81 Haut Brion 520

We Purchase and Sell Cellars
A safe place for your assets. 50% of Art Storage Available.
Please contact Win Sokoln at 212 694 3827 USA.
Copies of my book LIQUID ASSETS (Macmillan) \$20 delivered anywhere.

TRAVEL

Entering Germany's twilight zone

IT WAS a day that might have put even Smiley's people off. On Friedrich Strasse vague forms loomed through the dank mist. Autumn leaves lay blackened and sodden in the gutters. Muffled footsteps echoed along the near-empty streets. As I walked towards Checkpoint Charlie a steady drizzle set in from the leaden sky above. I hunched deeper into my trenchcoat and prepared for what lay ahead.

Could I bring it off? These were not normal times. Getting hold of an Avis car on a weekend can be tough anywhere. Getting hold of an Avis car on a long weekend in Berlin, where half the tourist population of Europe is trying to do the same thing, could tax the resourcefulness of Her Majesty's Secret Service itself.

In the dull half-light I slipped unobtrusively into the eastern sector of the city behind three coachloads of Belgian tourists. After much back-tracking and glancing behind my shoulder at the competition - a group of elderly American ladies also headed for the same rendezvous - I found my agent behind a sign that said "We Try Harder."

There was the usual hushed identification and exchange of codes - driver's licence, Visa number and other similar arcane - and then the long, anxious wait. Finally, computerised approval from Avis Central came through. Furtively my car rental agent pushed a small package over the counter to me: Volkswagen Golf keys, rental contract, a map. "Have a nice day," he whispered.

Touring eastern Germany, I was finding out, is not as easy as it used to be. True, George Smiley, James Bond and similar shady visitors slipping over the Iron Curtain had their problems from time to time. But did they ever have to cope with hordes of rapacious tourists in a place wholly unprepared to handle them? Nowhere in the pages of Le Carré or Deighton do I find spies grappling with the menace of hotel over-booking in Leipzig or the full horror of weekend parking on Unter den Eichen.

My own mission, that of finding a small town in Germany that was quaint, Old Europe, and untouched, seemed to promise difficulties. But for half a century eastern Germany has been protected from the kind of decadent western tourism that eats up such towns in a single bite. Surely, I thought, spying out a place like that cannot be too difficult.

In fact, just leaving Berlin is difficult enough. Round and round whole sections of the city's motorway ring I went, cursing exit signs that bore no correspondence to anything on my map. An hour later I finally emerged on an autobahn heading south towards Dresden.

It seemed a long trip. The autobahn might not have seen a main-balance crew since Hitler built it. Trabants, Skodas and Ladas bumped and wheezed along in great clouds of blue smoke. The countryside was featureless and dull, with acres of naked and soggy fields stretching away into the distance.

The country roads I switched to were better, but my small town remained elusive. The boneshaking cobblestone roads were charming, for the first few miles at least. The villages were rainsoaked and col-

A furtive Nicholas Woodworth spies out the bleak land east of Berlin

ourless. There was life in some of them - middle-aged women with string bags of shopping hanging from their bicycle bars, rubber-booted men in soggy cabbage fields on the edge of town, dirty white ducks splashing in the manure-covered yards of run-down farms.

Where were the little country meadows, the gingerbread houses, the smiling *frauleins* with braided tresses? The only real animation I could find took place on muddy village lots under bright plastic bunting, where whole families gathered to gaze at small collections of new Audis and Volkswagens put on sale by enterprising west German retailers. I began to feel as grey and desolate as the weather.

Occasionally I passed ancient tractors coming from the fields, once a horse pulling a wagon-load of turnips, but mostly I just got lost. The east Germans had not believed in road signs any more than they believed in petrol stations; both remain few and far between. It was only when I passed the same wayside rubbish tip three times near the undistinguished town of Gross Raschen that I knew that I had been going around in circles.

Nor did Dresden satisfy my requirements. Carefully rebuilt after its near total destruction during the war, the city centre boasts a

magnificent ensemble of baroque buildings on the banks of the river Elbe. But like most of the world's great monuments these days, they were covered with scaffolding and swarming with tourists. For curious west Germans from Bremen to Munich, the half of the country so long denied them is proving irresistible.

I wandered away from the river to find something to eat. A long search convinced me that reconstruction did not include restaurants. But if McDonald's has yet to throw up its golden arches beside the Elbe, the invasion of the consumer giants is not far off. On the city's vast main square two travelling exhibitions from the west had set up. The Florida Shark Show was doing a fair to middling business. The white, semi-articulated lorry belonging to Sony on Tour, however, was packed out.

Inside, visible, touchable, playable, was every gizmo eastern Germans had heard of and never seen. I spent some minutes watching upside-down views of the city on a TV screen as a young Dresdenite experimented, not terribly successfully, with a Sony minicam recorder. For some reason I found this even more depressing than the weather, which threatened rain.

It was only two days later that I found my town, or something as close as possible to it. Somewhere between Dresden and the city of Rostock on the Baltic Sea I had lost the illusion that the ideal town existed. Small towns in this part of the world are of two types - the older ones, whose considerable charms have faded over 40 years of decay and neglect, and the newer ones, whose charms are those of a concrete bunker. But on the Baltic island of Rugen, in the port town of Sassnitz, I got some idea of what tourism in eastern Germany could one day become.

The past still exercises considerable power over Sassnitz. I stayed in the Nord Hotel, a health spa and holiday resort built for east German workers. The staff were nice enough, but the long, fluorescent-lit corridors struck an unhappy balance between a Butlin's Camp and prison. There were doors stencilled with single words like *Betriebsorganisation* and notices headed *Achtung!* containing dire warnings about leaving keys and switching off lights.

But it was not all as bad as that. The cliffs lifted, boats chugged in and out of the harbour, and a breeze



Berlin Cathedral with the city's television tower in the background

off the Baltic brought in a clean, zesty smell. In homes across the island tourists were checking in and out of the private bed-and-breakfasts that have sprung up in the last year. Along the shoreline, French visitors photographed seagulls as they wheeled over the island's white chalk cliffs. Inland, day trippers from Hamburg sped over Rugen's smooth green landscapes in BMWs, slowing down only for thatched cottages and herds of sheep. Renovated and invested in as they surely will be, the small towns

in Germany have a future. In the New York, a bar recently opened opposite the Nord Hotel, I drank a glass of wine, talked to a smiling *fraulein* with braided tresses, and on a TV over the bar watched Notre Dame pasting the Navy in US college football. Life was not so bad after all. Everything considered, I would rather be a tourist, I decided, than a spy.

Nicholas Woodworth travelled to Berlin with British Airways (London. Tel: 081-897-4000).

We stayed at the palace, you know

ITALY has always been my favourite place for holidays. Nowhere else has such a winning combination of glorious countryside, mellow buildings, fine art, balmy climate, genial people and excellent food. Thus Santa Maria di Castellabate - a little-known spot in southern Italy - was bound, I thought, to be good. Even so, it surpassed all expectations.

Santa Maria is a small seaside town at the foot of a wooded hill capped by Castellabate, a village erected by a monk a thousand years ago as a stronghold against the Saracens. From the terraced restaurants of Castellabate there are sweeping views north across the Gulf of Salerno to Capri and the jagged Amalfi coast, beyond which lies Naples, a two-hour drive away. The prospect immediately below, though, is of Santa Maria's terracotta roofs. Edging the town, but towering above it, is the venerable Palazzo Belmonte.

The palace dates from the 17th century when it was used as a shooting lodge for hunting wild boar and quail. The present Prince Belmonte still lives in a wing on one side of the paved central courtyard, but he has converted the rest of the house into 20 apartments for (mainly British) holidaymakers.

He and his ex-wife, an Englishwoman, deliberately kept many of the original features so that the apartments have high vaulted ceilings, tiled floors, wooden shutters and balconies facing either the palace gardens and swimming pool, or the sea or promenade.

The prince is an affable man who likes to chat to any guests he meets wandering through the grounds. I spent hours in them myself, reading in an arbour of palm trees and pines, breathing in the heady mix of honeysuckle, hibiscus, jasmine and oleander.

The walled grounds (including the large pool) are totally private, a point blithely conveyed by one of our fellow guests, a retired colonel. To some hapless German tourists, they had ambled along the beach to the end of it reserved for palace guests, where a dozen steps lead to a door into the palace grounds. Intrigued, they tentatively approached the steps. "Private! Private!" cried the colonel, leaping to his feet and scowling as the tourists scurried away.

Such vigilance, however, is seldom necessary since the door is open only during daytime, when

the prince's groundsman are usually around, raking the sandy beach or tending the garden and politely turning visitors away.

Other holidaymakers are anyway few and far between - except during July and August, when the whole half-mile of gently shelving beach and the clear water lapping along it and all the cafes in town are full of noisy Neapolitans.

The high season also coincides with several saints' days, celebrated with processions and fireworks, so if you want a lively holiday book in the hot summer months. A calmer week in October, though, was a preferable option for us; and May is said to be lovely, too, because of the spring flowers.

We spent our days doing just what we wanted - not very much. After the coach transfer from Naples to Palazzo Belmonte, our

Cindy Selby stays in a holiday apartment in Italy that is fit for a prince

longest journeys were the six-minute strolls to the harbour or market. Tomatoes, mozzarella cheese, (made from local buffalo milk), basil, fresh fish, neapolitan wine, candles and Scabbie formed the basic ingredients for delightful evenings on our own apartment terrace. Sometimes we made use of the free minibar that the restaurants provide and dined in Castellabate, or at one of the fishing villages along the unspoiled coast.

Inside the massive palace walls the only sounds are of birds in the leafy courtyard and ping-pong under a portico where a table is been set up. You can play tennis at a hotel on the cliffs or windsurf in a nearby bay. Should anyone wish to tour the area, hiring a car would cost about £250 a week. Alternatively, there are taxis locally and organised excursions to Capri, Mount Vesuvius, the ruins and frescoes of Paestum, and boat trips into the luminous blue grottoes of Palinuro.

CV Travel (London: 071-531-0851) organises one- and two-week holidays at Palazzo Belmonte, May-October. The apartments accommodate 2-5 people. Prices for next season, including transfers and return scheduled flights, Gatwick-Naples, will be in CV's villa brochure, due in December.



Argentina's horizons are brighter than ever.

Imagine surveying the splendid horizons the people of Argentina see... fertile pampas, snowy Andean mountains, painted deserts, and potent rivers. But Argentinians are also looking beyond the horizon because now, more than ever, Argentina is on the move. Argentina is prepared to resume its place as one of the most vigorous and creative of modern nations.

Argentina is reaching out beyond its borders, integrating itself into the international community, fulfilling commitments, assuming new responsibilities, and establishing solid foundations for growth.

The Argentinians people is more confident than ever and Argentina is once again a reliable partner. Argentina invites you to visit and see for yourself the countless possibilities it offers.

Argentina
A country where there is so much to see and investment opportunities awaiting



49 Belgrave Sq, London SW 1 Fax 0044715893106
Phone 7307173/7167 Telex 51 913348

HOLIDAYS & TRAVEL

HONG KONG

DISCOVER HONG KONG

With Hong Kong offering such a wide variety of things to see and do, you will want to stay longer. Our Discovery Guide contains a suggested 14 days itinerary offering a selection of ways in which you get the most out of your Hong Kong holiday. For further information and your free copy of the Discovery Guide please contact: The Hong Kong Tourist Association, 125 Pall Mall, London SW1Y 5EA. (FT) TEL: 071 930 4775

INDONESIA

Indonesia

Ambon, Bali, Flores, Java, Kalimantan, Komodo, Lombok, Sulawesi, Sumatra, Sumba... Indonesia is a land of volcanoes and jungles, of rice terraces and endless beaches, a land of rich cultural heritage where you will be welcomed as an honoured guest. Call now for your colour brochure and expert advice.

Explorers Tours, 5 Queen Anne's Court, Windsor SL4 1DG
Phone (0753) 842184 ARIA 26311

UK/HOTELS

LONDON ELIZABETH HOTEL
A fine Central London Hotel overlooking Hyde Park. Ideally situated for all transport. All rooms with Direct Dial phone, air, tv, lift to all floors, 24 hr Room Service. Private Car Park, Executive Restaurant & Bar.
Rates Incl. English Breakfast + VAT Single £48.00 Double £58.00
Lancaster Terrace, Hyde Park, London W2 3PP Tel: 071-603 0461 Fax: 071 254 8800 Telex 23371

VILLAS

QUALITY VILLAS
We offer the finest collection of luxury villas with private pools in the South of France - including Chateau d'Arles. All are personally selected and inspected by us. La Provence Quality Villas.
Tel: (0348) 837817/4

COTE D'AZUR villas - Cap Ferrat to Cannes: private pools, swimming, panoramic grounds + star. 071-409 3270/0425 502 925.

CARIBBEAN

CARIBBEAN CHRISTMAS Holidays to Antigua, Barbados, St. Lucia etc. Now on sale all B.A. Flights. Tel: The Caribbean Specialists INTERLINE TRAVEL 0703 372000 ARIA 0532.

PRAGUE

PRAGUE Spend Xmas in beautiful Prague. Accommodation in private homes still available. Business people and small groups also accepted. Tel: 0633 70 38 31. Fax: 0633 70 38 31.

FLIGHTS

SWITZERLAND
FROM £79 RETURN
airtour-swiss-
071-706 3737
PARIS
FROM £59 RETURN
airtour-france-
071-706 3737
HOLIDAYMAKER GROUP PLC
ARIA 35724 ATOL 1798 IATA

SCHEDULED FLIGHTS

Greece	Cyprus
France	Italy
Spain	Switzerland
Germany	Americas

COMPETITIVE FARES - CALL NOW
071-935 7287
AIRBREAK TRAVEL
071-734 2242
Fax 071-734 2242
Plus Express Travel

SPECIAL INTEREST

TENNIS HOLIDAYS
at the Roger Taylor tennis centre Val de Lobo, Algarve. For professional people who require an enjoyable instructive programme.
081-947 8727.

FOR THE CHEAPEST POSSIBLE
flights and tours world-wide eg- Egypt tour from £170 call Flyaway Travel, direct line:
071 907 4877.

ITALY

Villas Italia
First Class Villas & Hotels in Italy
081-748 8668
(24 HOURS)
NTS/0402-NTS/23N PLS/LIA

TUSCANY
From Cottages to Castles
For the very best of Tuscany, our new 1991 brochure offers a wide range of country villas, apartments and country hotels. Mostly with pool or lake, Sleep 2-12+.
Also Doublets.
Ring now for your copy of our superb colour brochure.
Tel: 0225 220025
Tuscany House, 201 Theobald Road, Middlesbrough, East YEA6 8HE

TUSCANY, UMBRIA
and other regions to let villas/farmhouses/appts. Free colour brochure and Cuentet 1991 £4.00.
Perrymead, 55 Perrymead St., London SW6. Tel: 071 736 4392

just
T.A.L. Summer 1991
Villas, country houses, apartments & hotels in Tuscany & Umbria
Phone: 0225 443133
Midway Travel Ltd
1 Belmont, Letchworth Road, Herts SG8 1JL
ARIA 04745 ATOL 1383

SKIING

LATE CHRISTMAS AVAILABILITY
FLAINE CHALET AND FLAT LETS, 1 HR GENEVA - GREAT SNOW 260K PISTES
True home-like accommodation in our deluxe chalets also beautiful flats. Luxurious to very affordable. Great locations, amenities and service that will bring you back again. No middleman. Book Direct.
Details from Judith
24hr info line 01033 5090 8234,
24hr fax line 01033 5090 8525

TRAVEL SPECIALS

Greece 29 December
Spain 19 January
London 26 January

to advertise in these travel features please call:

Clare Peasnell
071 407 5755 or

Lesley Proctor
071 407 5751

GARDENING/MOTORING

Moist and mild autumn brings a soft explosion

The drought is over and Robin Lane-Fox's garden is growing again

UNLIKE THE economy, gardens have been growing strongly in an unexpected postscript to the drought. Soft-wooded plants have spent their November putting out soft new growth: the abutilons have started a second flowering; blue-flowered convolvulus has run over more widely; the white-flowered solanum is still going strong up sunny walls as if winter is only a cloud on the horizon.

The backbone of the garden has also been active. After a summer of no progress, essential evergreens have taken wings on this late, wet mildness. Olive green omanthus has put on several inches since September; young yews have overtaken older yews which were transplanted at the same time; ceanothus have sent out shoots everywhere; there are spikes of flower all over the thick-leaved evergreen fuchsias; and there has been a spurt among the bushes of box.

All this reinforces my belief that gardeners are too wary of plants which are described as slow-growing. Slow in relation to what? Yew is much slower than Leyland cypress but the cypress is not a presence which you would want anyway, except as an urgent screen. Speed also has its own feed. If you are still planting hedges with minimal manure and falling to dress them with chemical fertilisers, your box and yew will probably fall

slowly into the 21st century. Mine are bounding along nicely, thanks to an hors-d'oeuvre of shredded pig manure around the young plants' root-run. In autumn or February, we pot dress with bone meal and we water them with diluted phosphorus throughout the summer. As



you know, I swear by phosphorus, which is much more economical than bags of solid fertiliser or anything dreamed up by non-gardening 'greens'.

Late growth on these evergreens may provoke you into using them more imaginatively. Everybody thinks of box edging and hedging, but how many think of box-edged plantings and flower pots, box between steps or as an evergreen 'battlement' in Sissinghurst's white garden, box clipped like a neat skirt in the space between a garden seat and the ground.

I especially recommend the

use of small box plants on steps. Three years ago we made some prominent garden steps in artificial stone, a post-crash substitute for the real thing. Since then, we have soaked them in sour milk; we have followed the advice of a reader in Suffolk and thrown coffee on them; and copied another reader who throws liquid manure over hers. So far, they have sprouted no moss nor shown any weathering on their harsh surface. In dry summers, they glare at you.

One answer is to face the rise of each step with a line of clipped green box. It is a trick which is sometimes used in Italy but is rare in Britain where steps are simply steps. The box gives a smiling green face to each riser and a green backing to each tread so that they look like a series of steps, not a concrete beastliness much less. If you allow plants to seed into the gaps between the steps, you conceal even more.

Down a slope or the edge of some longer flights of steps, I use a very fond of a "hundred" of clipped evergreens. There is no skill to it: you merely plant a line of box and keep it clipped at a modest height on either side, framing the changes from one level to another. On steep south-facing slopes I have used the long-flowering abelia. It seems to be far harder in most winters than people credit. It can be trimmed into a tidy shape and it looks pretty on a

steep descent if it runs into a sprawling bush of rosemary at the bottom.

Around flower pots, my box bushes have been growing widely. If you raise a terracotta pot off the ground, however slightly, it is less prone to split in a hard winter. It does not stick to the ground in a bed of ice, water drains through it out of harm's way and it also looks more imposing. Round the plinth (which need only be a concrete block), you then plant an evergreen, probably box. By clipping it you give each pot a frame, like a well-shown picture.

Finally, does it have to be green box? People say that our ancestors were much more adventurous and used all sorts of edging plants. If you look up their choices, they were either not very hardy or else not totally green. Cotton lavender, lavender rose or marjoram look miserable in winter. It was box from the 17th century onwards, especially in France where, for once, the French got something about gardening right by using box.

I have toyed with hyssop and with the white-flowered evergreen parakee. The latter is rather dull in leaf and although hyssop flowers and multiplies beautifully from cuttings, it is not really evergreen and needs to be clipped quite hard. Box has triumphed for good reasons: if in doubt, try boxing it in.

An open letter to Michael Heseltine, MP, Minister for the Environment.

Dear Minister, YOU MUST feel at the moment that reshaping the Poll Tax to make a Conservative government re-electable in 1991 or 1992 is your top priority. Could I, though, ask you to spare a little time to consider something that may not win many votes but would help the environment?

I'm referring to diesel cars and, specifically, official encouragement of their use as a means of reducing oil consumption and atmospheric pollution.

No-one knows whether the world is really getting hotter or not, but conventional wisdom has it that we must stabilise, or better still cut, the amount of carbon dioxide gas and other pollutants released. If we don't, the atmosphere will warm up, melting ice caps will raise ocean levels and low-lying countries will be submerged.

As you know, cars make only a very modest contribution to total carbon dioxide emissions compared with power stations and industrial furnaces.

Even so, most car users do seem to want to be as green as possible. Hence the steep rise in sales of unleaded petrol and the acceptance without much protest of com-

pulsory exhaust catalysers by the end of 1992. But is a combination of catalysers and the obligatory use of unleaded petrol really the best way to combat pollution caused by cars? The makers of catalytic converters hijacked the anti-pollution movement so successfully several years ago that most people now believe there is no alternative. But there is - the diesel car. Instead of treating the symptoms by cleaning up a dirty exhaust, which is what a catalytic converter does, the diesel car burns its fuel so efficiently it creates far less pollution in the first place.

Ask your advisers: they know a properly maintained modern diesel engine without any extra exhaust filters produces 80 per cent less carbon monoxide (CO), 80 per cent less unburnt hydrocarbons, 80 per cent less nitrogen oxides and 30 per cent less carbon dioxide (CO₂) than a petrol engine with a catalyser. (Apart from being deadly poisonous, carbon monoxide depletes the atmosphere's ozone layer before turning into carbon dioxide.)

In normal use, a diesel car uses up to 30 per cent less fuel than a comparable petrol car so it saves money, too - something managers of large fleets and private

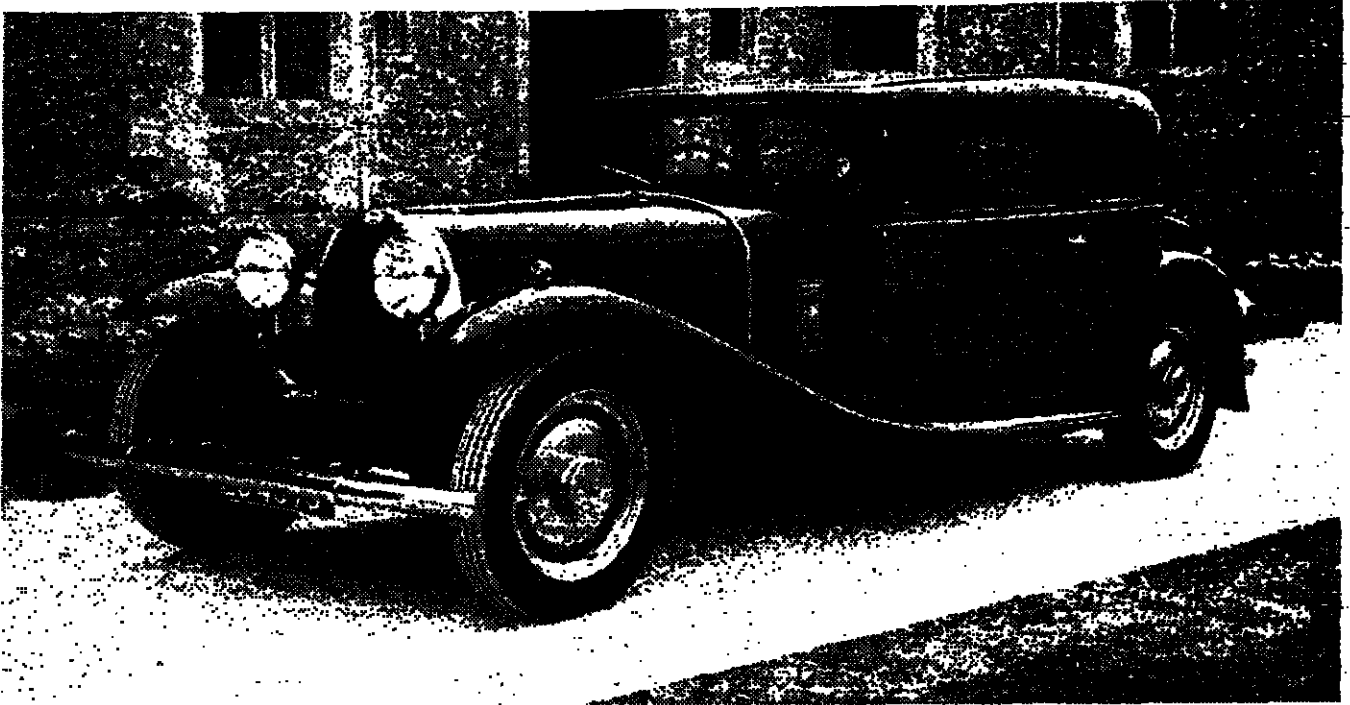
motorists alike have discovered.

Did you know that diesel models now account for nearly 8 per cent of all new car registrations in Britain? That is about twice as many as three years ago but we still have a long way to go to match France. There, one new car in three is now a diesel. Quite apart from generating 80 per cent of their electricity by nuclear power, which creates no CO₂ emissions at all, the French encourage diesel cars through lower taxation. Diesel is only two-thirds the price of petrol in France.

I hope I have persuaded you to take a look at the diesel car's merits as a means of reducing pollution. Perhaps you may even contemplate swapping your Jaguar for a modern 2.5 litre turbo-diesel such as a Rover 825td or a Ford Granada. As you were chauffeured from home to House or ministry, I doubt you would even be aware in the back seat that your car was not petrol powered. But you would be using much less fuel, making a small contribution to reducing CO₂ emissions and setting a good environmental example to others.

Yours sincerely,

Stuart Marshall



VALUES OF collectable classic cars have taken a knock this year. Reasons range from overheating in the market caused by unwise buying to high interest rates and a general business downturn.

The true state of the market will be reflected by a sale at the new Royal Horticultural Hall building in south-west London next Wednesday. Coys of Kensington will put 77 cars, of which 23 have no reserve, under the hammer at the last historic car auction of 1990.

Among entries are the 1971 Vauxhall

Firenza works car nicknamed "Old Nell", owned and driven by the legendary Gerry Marshall who won nearly 100 races in it. A price of between £20,000 and £30,000 is forecast.

Among cars selling without a reserve is a 1936 Sunbeam 3-litre Twin Cam Super Sports with 35,000 miles on the clock, one owner from new, lizard skin upholstery and the original spare tyres.

Top price is expected to be achieved by a 1930 Bugatti Type 46 coupé known as "La Petite Royale" because it was a

smaller and considerably less expensive version of the monstrous Royale. Coys' estimate is between £165,000 and £225,000.

Another entry is a rare 1935 Bentley 3.5 litre with a sedan de ville body by Gurney Nutting. It was delivered new to Brendan Bracken, Churchill's PA during the war and founder of the Financial Times. A price of between £38,000 and £50,000 is expected.

S. M.

A fast-growing industry

Arthur Hellyer picks the choicest gardening books

NEW BOOKS about gardens, gardening and plants have been so numerous and varied this year that it has been quite difficult to keep track of them all and nobody looking for such a book as a present for a friend or for personal enjoyment this Christmas should have any difficulty in finding something suitable.

Perhaps the most ambitious, and the one most likely to be completely novel to the reader, since I cannot recollect the subject having ever been attempted before, is *Gardens of Europe* (George Philip, £25).

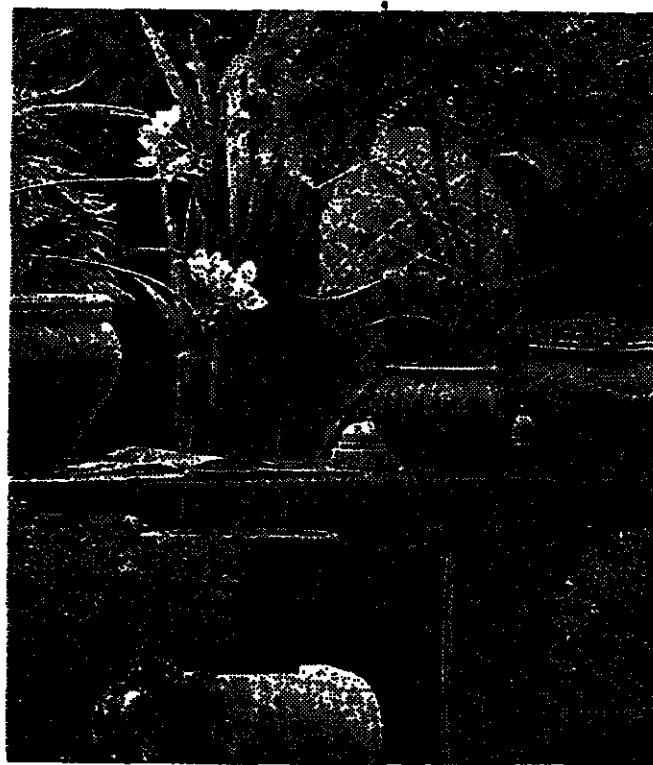
The 34 contributors worked under the expert editorship of Penelope Hobhouse and Patrick Taylor and, where I know the gardens, the descriptions are both adequate and accurate.

Nearly all the colour illustrations are excellent although those in monochrome are more uneven in quality. There are also clear outline maps of the countries showing where the gardens are. It is an ideal book for planning garden visits or to carry in the car.

Probably of more general appeal will be two very different books on gardening in containers, since they deal with a type of gardening possible even for those without gardens.

By far the larger of the two is *The Art of Gardening in Pots* (Antique Collectors Club, £20.95), prepared by Elizabeth Lestieux and Hazel Evans and superbly illustrated by Kees Hageman, Rudolf Bom and Anton Schiepers.

The pictures occupy



A Hellyer choice: The cover of Elizabeth de Lestieux's *The Art of Gardening in Pots*

considerably more space than the text, which is fairly lightweight and concerned mainly with describing the plants depicted and their containers.

"Pots", in this connection, includes a wide range of containers, even a genuine lead water tank dated 1729. It is a beautiful book into which one will wish to delve

repeatedly and leave lying around for others to do the same since one does not have to be a gardener to enjoy it.

Container Gardening by Alan Topgood (Ward-Lock £4.99) could scarcely be more different in matter and style. It is one of a series of books published under the general title *Gardening by Design*, which are intended to instruct.

This one succeeds in doing just that in a very practical way. Topgood explains the history of container growing, its many advantages and applications, the best plants to use and the most satisfactory methods of cultivation. There are enough good colour photographs and clear line illustrations. He even describes how vegetables and fruits can be grown in containers. It is marvellous value for money.

The same can be said for two other books in this same series and all at identical prices. They are *The Water Garden* by Philip Swindells, a well-known authority on the subject and *Herbs* by Jane Courcier.

The latter deals with the design of herb gardens, how herbs are best grown, their many practical uses in kitchen, home and medicine and finishes with a straightforward A to Z of the most beautiful or useful herbs. Philip Swindells is also practical and comprehensive in his accounts of constructing pools, streams and waterfalls, planting and stocking with fish and other livestock, the necessary maintenance work and dealing with problems.

Both these books are as well illustrated in colour and with line drawings as *Container Gardening*.

Another series that has been running for some time comes from Cassell under the general title *Cassell's Illustrated Monographs*.

I have yet to meet a bad one and two fine editions this year are *Orchids*, *The Care and Cultivation*, by David Leigh and *Lilies*, *The Care and Cultivation* by Michael

Jefferson-Brown, both priced at £14.95.

Jefferson-Brown is best known as a daffodil grower but is also a lily specialist no less enthusiastic in growing these plants as in describing their cultivation.

David Leigh has the advantage of having grown orchids both as an enthusiastic amateur and as a professional. He warns readers that orchiditis is highly infectious and probably incurable.

A third book from the same publisher but not part of this series and slightly smaller in size is *New Flowers* (£12.95) by Tessa Paul with Daphne Ledward as consultant editor.

In this the colour pictures play a dominant role and are on every page except for a closing section on garden design where they are replaced by text. The text is mainly explanatory of the pictures and does not contain much cultural information.

The title is a little misleading since many of the plants included have been in cultivation for many years. Most are really only "new" in the sense that they are man-made hybrids or selections, not plants brought in from the wild. Nevertheless this is a most attractive volume.

Everyone loves scented flowers and there is a book among the newcomers that will lead them straight to it. Entitled *Gardening for Fragrance* (Ward-Lock £14.95) and written by Anne Bonar it is sure to be popular, for this is a good book in every way, well written by an author of great experience and handsomely illustrated.

The subject is dealt with fully, what it is that creates fragrance in flowers and aroma in leaves, how these various varying scents and aromas are produced, what it is that makes some barks aromatic and how a scent can be extracted and preserved for use.

Bonar deals with the scents of favourite cottage flowers and the very varied perfumes of roses. There is a whole chapter on herbal fragrance and even one on scented lawns and ground cover.

By contrast, my last two selections are aimed at specialists, although many readers knowing little or nothing about their subjects may be fascinated by them.

One is a rather large book on *Carnivorous Plants* (Cassell, £16.95) written and illustrated by Marcel Lecoulle. I am rather surprised that Cassell did not include this in its *Illustrated Monograph Series* as it has very similar characteristics and the pictures fully depict the beauty and characteristics of these strange plants which obtain part of their food by capturing and digesting insects.

The other is *Hardy Orchids* (Christopher Helm, £25) by Philip Cribb, curator of the Orchid Herbarium at Kew, and Christopher Sales, curator of the Royal Horticultural Society's Rosemoor Garden at Tottendon in Devon. The rather high price indicates that the publisher recognises that the demand for this is limited. Botanical drawings are beautifully executed.

Luxury off the beaten track

Stuart Marshall takes to the high road in a tough Mercedes-Benz

THE RIVER Braun, fast flowing, stony bottomed and wader-deep, was only one of a number of obstacles I tackled in Scotland last week in the latest Mercedes-Benz challenge in the luxury off-road market.

The car also climbed in and out of slimy pits, descended slopes as steep as the roof of a house and bounced its way for miles over the high hills on the roughest of tracks.

Very few owners will treat it like that. The G-Wagen will cost between £29,000 and £34,000 when it reaches Britain

early in the new year. Like the Range Rover, it is simply too grand for most buyers to contemplate getting it plastered in mud, dented by rocks and scraped by overhanging boulders.

The interior is similar to a Mercedes saloon. The seats are high, the visibility commanding and the on-road performance is car-like for comfort, speed, acceleration and silence.

There is some wind noise around the shuff bodywork at motorway cruising and thump from the very large tyres is hardly noticeable.

There are two engines to

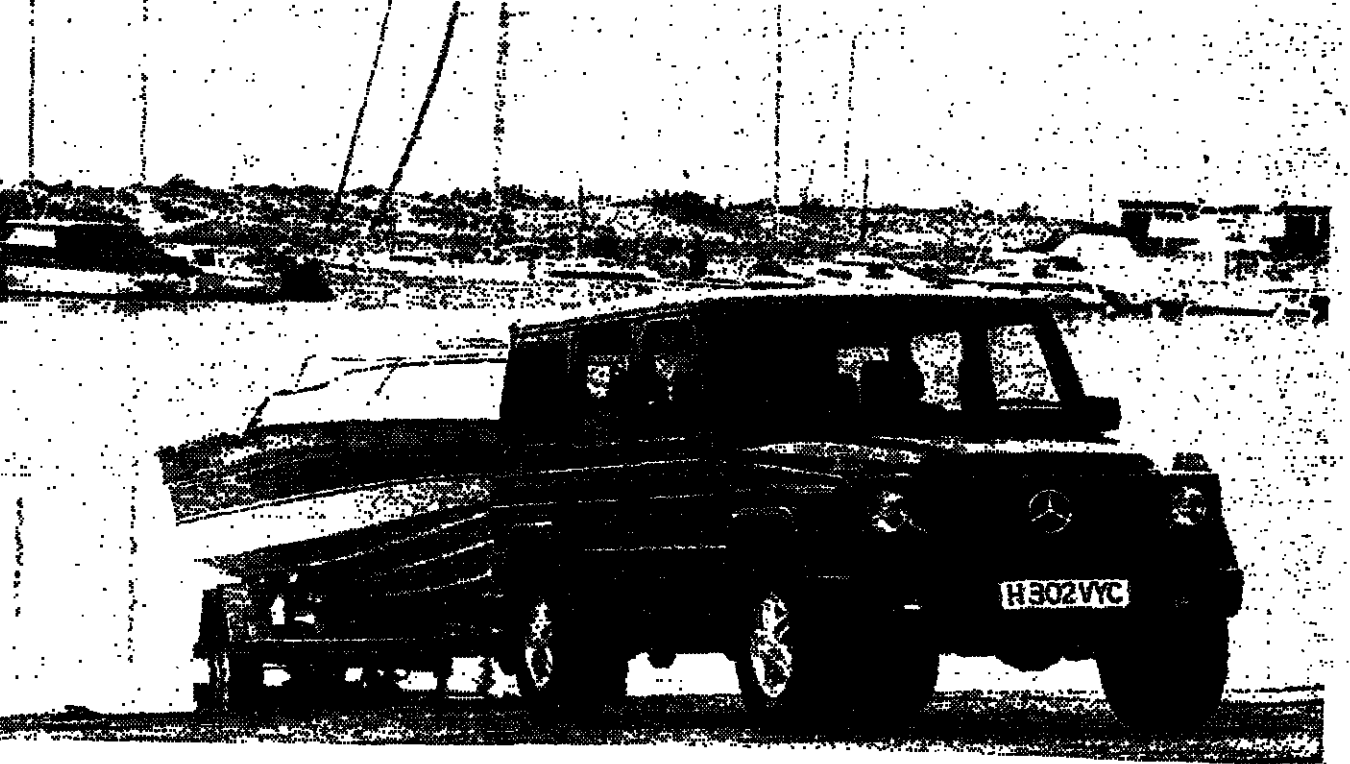
choose from - a 3-litre, fuel-injected 6-cylinder engine which produces 170hp at 5,500rpm and a diesel, and a 3-litre inline six, putting out 113hp at 4,500rpm. Automatic transmission or a smooth 5-speed manual gearbox with a light clutch are offered with both engines.

Bodies are 3-door or 5-door estates (pictured below) on short and long wheelbases respectively.

Like the Range Rover, the new G-Wagen has permanent four-wheel drive with high and low ranges for on-road and off-road driving and it rides very well for this class of car on its

coil-sprung beam axles. Unlike the Range Rover, on which the centre differential can be locked, the Mercedes has push-button operated locks on all three - front, centre and rear. ABS (anti-lock) brakes are standard.

In the most extreme conditions, it would almost certainly outperform a Range Rover. On road, it is certainly as easy to drive and as comfortable to ride in. The diesel is much quieter and smoother, although it doesn't have quite the same urge as the Range Rover's 2.5-litre turbo-charged and inter-cooled 4-cylinder engine.



Assessing safety by numbers

VOLKSWAGEN researchers are working on a system of grading a car's crash resistance so that it can be given a numerical safety rating, in much the same way as every car now has an insurance group number. But it is not as simple as it seems. For example, a rating would have to reflect a car's ability to protect the people inside it stiffening the body shell so that frontal accidents are easier to survive means the occupants of a car are more

liable to injury in a side-on collision.

Even if a protective system were evolved from tests using standard mechanical dummies, it would not be of much use to elderly people. Because they have trailer bodies, the elderly need softer, deeper padding to give them similar protection from injury. Dr Bernd Richter of Volkswagen told me in London last week.

If there were a crash protection index system at present, large and heavy cars

would have a higher rating than small ones, "but this advantage is diminished as the crash resistance and weight of small cars goes up", says Richter. People in small cars would receive better protection from a head-on collision if the noses of large cars were softened rather than the sides of small cars reinforced.

Whatever is done to make cars more crash resistant, occupants will always be vulnerable in collisions with

commercial vehicles. Lorry drivers would probably be unhappy in a crash with a car, but it would be a different story if two lorries crashed. The ultimate answer would involve accident prevention as much as crash protection. If there were a vehicle safety index at present, it seems that large BMW, Mercedes-Benz and Volvo models would be among those rated as good safety all-rounders.

S. M.

HOOPER
ESTABLISHED 1907
ROLLS-ROYCE AND BENTLEY
AUTHORISED SERVICE DEALER AND COACHBUILDER
206 BENTLEY ST. CONTINENTAL CONVERTIBLE
COACHWORK BY PAUL WARD
Hooper have spent the past 3 months restoring this Bentley to A1 condition. The bodywork has been replaced from head to tail and the interior completely reupholstered in black leather. A new dash light, side door and fuel tank have been replaced. The car is now in perfect condition. The condition of this very rare Bentley is beyond criticism. As a collector's item, it is one of the finest in the world.
Available for immediate delivery. £145,000
Telephone: 071 624 8333
HOOPER & CO. (COACHBUILDERS) LTD.
KINGSLY ROAD, LONDON NW6 7JH

MERCEDES 300 CE (1989 "G")

Nautic Blue/Grey hide, elec. memory seats a/c, alloys, auto, ABS, ILL Vnity, OTG, RTW, RH, centre glove box, 13000 M, F.S.H., colour coded, remote alarm. £29,995 Private sale.
Days: 081 202 2522
nights: 0836 252470

PORSCHE 944 S2 CABRIOLET

REG. SEPT 1989, guards red, 16,000 miles, taxed Aug '91 dual alarm system fitted. Excellent condition. £28,950
Tel (091) 438 2083
between 8am - 6pm

1982 MERCEDES 280 SL SPORTS

Metallic Gold, 32,000 miles, F.S.H., 5 speed manual gearbox, mint condition. Offers invited.
Tel: 0529 304 654

NEW COOPER SPECIAL (NEW 1990) Limited

2000 cc, delivery village only, Reg. Contact Mr. Matthews 0201 32343
S.9 UNIQUE AUTO, 14 Reg. office, sunroof, 100 miles only, £24,850. Tel. 081-340 3233.

24/11/90

PROPERTY

What makes a 'cheap' home cheap? John Brennan and David Hoppit go in search of bargain buys in a depressed market

West End choice, East End budget

A RESIDENTIAL version of the theory of relativity applies in any search for cheap homes in central London. What is cheap, and where is central London?

The house price monitoring team at the London Research Centre takes its lead to define the centre from the inner London boroughs of Camden, Hammersmith, Fulham, Islington, Kensington & Chelsea, Westminster and the City.

Tom Trudgian, managing director of Stern Studios, and a Fulhamite, regards the orbit of the Central Line Tube as a fair definition of "central".

As for "cheap", that is a word that also changes shape depending on where you stand. A "snip" at a quarter of a million to one buyer is a fantasy figure to another.

Taking its capital-wide view, the London Research Centre's most recent analysis shows the "rock bottom" of the price scale. That is calculated as the figure below which only one in 10 Londoners buy and which "gives a reasonable indication of the minimum one could expect to pay".

In the last two years, this bottom marker on the averages has fallen by 14 per cent to a current £47,000 for a single-bed flat, and by 12 per cent to £55,000 for a two-bedroom property.

The Research Centre reflects the today's cost-conscious market by pointing out that only 1 per cent of first-time buyers paid less than £50,000 two years ago against 8 per cent who spend less than that today. At the £60,000 level, that price sensitivity is even more apparent: some 15 per cent of first-timers paid less than £60,000 in 1988; no less than 33 per cent pay less than that now.

The conclusion is that "first-time buyers are now paying the same as they were more than two years ago just after the Chancellor made the

announcement of the ending of double tax relief on mortgages". Since average incomes in London have risen by a fifth since then, the affordability gap that kept first-time buyers away ought to have closed by now. According to the Research Centre, one reason why there has not been a rush of people to buy at the bottom is the current scarcity of 95 per cent mortgages.

"That is only part of the change," says Stern's Trudgian. "It is less easy than before because some of the building societies effectively were handing out 105 per cent mortgages. In 1988 branch managers were accepting very high valuations 'knowing' that in six months the price would have risen to cover it. It's not surprising to see some of the societies' bad debts given the way they were lending at that time."

Now, it seems, "valuers are taking a very cautious view. It's not so much that people cannot get 95 or 100 per cent loans, it's more the fact that the mortgage valuations are so much lower as well."

Even allowing for extra caution applied to valuations recently, the long-term impact of inflation on housing costs means that there are properties at the bottom of the market which, as Trudgian says, would have been unaffordable ten years ago. Changing attitudes to cost have won the "airing cupboard" a place on building societies' and banks' acceptable securities lists.

Stern Studios' bargains (071-244 7301) include an 11ft by 9ft studio with a 5ft by 4ft 9in kitchen plus a shower room in Balham, SW17, for £24,000 for a 11-year lease - the same asking price as a similar sized studio cut into a Victorian house in Blackheath, SE3 on a 92-year lease.

Those are cheap, but hardly central. A near 13ft by 7ft 5in fully fitted studio in Chelsea Cloisters, Sloane Avenue, SW3, meets the second criteria. At £28,000 for a 12-year lease on a Chelsea flat, Bernard Marcus (071-222 4181) has a property that fits comfortably under the Research Centre's figure of £27,000 as the current average price paid by a London first-timer as well as slotting in at the bottom of the



Saville's 'cheapest': a three-bedroom flat in Cadogan Gardens SW3 for £250,000

pled-a-terre buyers' range. It is in the £50,000 to £100,000 range that the would-be new homeowners currently run into the heaviest competition from business buyers looking for a weekly escape from commuting. Hampton's London offices have a range of sub-£100,000 flats and houses. A two-bedroom freehold house in SW11 runs to £79,500, while a one-bedroom flat on a 99-year lease in SW12 is priced at £95,000.

John D Wood (071-724 2818) stays within the first-time/business buyer ranges with a studio in Jubilee Place, SW3. A 99-year leasehold on that sliver of Chelsea would cost you £55,000.

A 22-year lease explains the £70,000 price tag on a one-bedroom flat in Mallory Street, SW3, available through Farrar Stead & Glyn (071-373 5076), while a studio-scale apartment in Montpelier Street, SW7, is £72,000 through Parker Hobart (071-584 1744).

Over at Winkworth's South Kensington office (071-573 5532) £72,000 covers the cost of an 80-year leasehold on a studio flat in Seymour Walk. Nearer Harrods is a studio flat in Egerton Gardens, Knightsbridge, through the agency's office

there (071-589 6616) priced at £91,000 for a 60-year lease.

Raise your budget to £100,000, and the range of central area apartments opens out dramatically. That is a curious price barrier. On the way up, 1988/87's £75,000 to £80,000 properties hedged cautiously towards six figures, and then dashed on past. Once through that barrier, vendors seemed to breathe a sigh of relief and race ahead in £10,000 bounds. Having persuaded themselves that buyers might reasonably part with £100,000, it was a smaller conceptual jump to believe that they wouldn't mind paying £110,000 or £120,000.

That psychological price barrier has been treated with equal reverence on the way down. The price lists showing clusters of properties on offer just above £100,000 gives some sense of how reluctant sellers have been to accept reductions below that figure.

There is much the same sense of price-consciousness in the number of flats currently marketed at around £98,000. Strutt & Parker (071-253 9959) avoids that simplistic, if still potent, "less than £100,000" pricing ploy with a one-bedroom flat on a 38-year lease in Sloane Street, SW1, with a balcony overlooking the Cadogan Place gardens, for

exactly £100,000. Back in Chelsea, Chesterfield (071-235 8008) expects £119,000 for a one-bedroom flat with a 81-year lease just opposite La Tante Claire restaurant in Cheyne Place, SW3. If that is too far out, for £140,000 you could have a 114-year lease on a one-bedroom flat in Clarges Street in the heart of Mayfair through Lassmans (071-499 3434).

The least expensive of Knight Frank & Rutley's (071-629 8171) central area properties is a 95-year leasehold on a two-bedroom flat in Hans Place, SW1 for £290,000.

Savills maintains a similar distance from the "cheap" with a £250,000 price tag for its lowest priced central area home, a three-bedroom Cadogan Gardens, SW3, apartment on a 36-year lease. That is into the stratosphere for first-timers without a deposit.

Anthony Lassman wins the Bertie Wooster award for interpretation of the term "cheap". He suggests that the price-conscious may be interested in the cheapest house the agency has to offer in a Royal Park: a five-bedroom Chester Place home looking over Regent's Park - the asking price for the 80-year Crown leasehold is a modest £795,000.

John Brennan

An indoor privy at a nice price

SIX YEARS ago, when I went in search of the bargain basement of Britain's 22m homes, the "winner" was a super little two-bedroom mid-terrace cottage with a new roof in the Welsh village of Cwmbech. The price then was £700 - no, I haven't left a nought off - so it seemed sensible to start the search there.

"There's been a few changes round here since your last visit; a bit of a boom, you might say," said Durbin Estates. The miner's cottage, so cheap in 1984, would probably sell now for at least £3,000.

In the event, a few corners of Northern Ireland, Liverpool, Accrington and parts of Scotland proved to be the most fruitful bargain-hunting areas.

The quest for Britain's cheapest houses is more relevant now than it was six years ago. If the forecasts are correct, a quarter of the population will be working from home within a few years, so access to our great cities will not be so vital.

Modern technology means in some occupations the bodywinner can work just as efficiently from a croft in Jura as in Tunbridge Wells.

A good starting point for the home-hunter of modest means is the magazine *Nationwide Properties*, (0743-59919) which produces a monthly Bargain Homes supplement (£3.50 by subscription). "Cheap" is a relative word and a true bargain might be £150,000; but we carry scores of properties priced at less than £50,000 - many below £20,000," says Imelda Zygmund, the editor.

The road to England's cheapest house winds through Torquay, towards Liverpool city centre. You won't need a key to view 14 Everley Street - someone has borrowed the door; and none of the windows has any glass. However, it has a sound roof and something which most of Britain's bargain homes lack - an indoor privy. The price is £5,000.

Everley Street is part of a close-knit community with many immigrants and a hard core of old Toxteth families. "They will always help people in trouble. The front door of number 14 fitted someone else's house and as no-one was living there at the time it seemed reasonable to use it," says John Woolam of Sykes Waterhouse, one of the Black Horse estate.

The house has three bedrooms, one of which may make a good bathroom. Several buses run past the door and there are schools and

two sports centres nearby. Other bargains on Woolam's books included 75 Geraldine Street. The Regency bay window is boarded up but it does have a front door of sorts. The price of the mid-terrace home is £9,950.

Even cheaper are several homes in Northern Ireland. Nationwide Anglia has just arranged two mortgages in County Armagh, both for property needing "much renovation". First there was a two-bedroom Victorian terrace house in Church Walk, Lurgan, priced by Paul Casey at £5,000; then a three-bedroom terrace bungalow in Quality Hill, Tandragee, selling for £5,500 through Stevenson and Cummings.

"I would suit individual with flair and imagination," is how NA agent Daniel Henry describes 9 Cable Street, Londonderry, a two-bedroom Victorian terrace house with a back-yard privy. The price is £8,000, and improvement grants may be available. For an extra £500 the same agent is selling a five-year-old one-bedroom flat in nearby Killynann. The flat, in Winchester Park, comes with carpets and curtains.

Across the water, in Merthyr Tydfil, Prudential was asking £8,000 for an end of terrace two-bedroom house "in need of major repair and renovation". Number One, Pleasant View, is in what is described as a "sought after" area of town, near Cyfarthfa park and castle.

One of the "undiscovered" areas of England is the coast and countryside around Accrington, Lancashire. At Clayton-le-Moors a little two-bedroom end of terrace home is offered for £10,000 by Entwistle Green, another Black Horse colt. It would suit a manikin, for some of the rooms are only 6ft wide.

I have not attempted to include mobile homes, caravans and what are now called park homes, many of which are available at under £10,000. Worthy of mention, however, is a chalet bungalow along four miles of sand dunes at Hayle in Cornwall. Bristol & West are selling it for £9,950, but occupancy is restricted to seven months of the year.

Finally, to something really hard in Edinburgh for £9,000 - a post-war flat at Niddrie, which the agent William H Brown describes with commendable honesty as "a particularly unpleasant area". It has two bedrooms and was recently fire-bombed.

David Hoppit

COUNTRY PROPERTY

For love of the country live at Fernden Heights

HASLEMERE



IF YOU have always dreamed of a beautiful country home within reach of Watford (43 mins) this is it. The redevelopment of apartments and new cottages are set in a breathtaking position on the crest of a slight wooded hill with magnificent views. The traditional country town of Haslemere is a short distance away with every facility. There are 6 spacious apartments available, converted with care and style from a magnificent 19th century sandstone house. The 4 charming cottages available are converted with the same care and attention. As others have already found, this development on 8 acres of ground is an ideal haven from a hectic life. They must be seen.

Prices from £120,000 to £240,000 freehold. Fully furnished show house open at Fernden Heights, Fernden Lane off Mill Road, Haslemere, Surrey from 10.00am to 5.00pm. Telephone: 0428 55461

Agents: Blackmore Agents, Godalming, Surrey. Telephone: 0428 61163



Latchmere Properties Limited, 14-16 South Street, Dorking Surrey RH4 3EL. Tel: 01306 881287

STRUTT & PARKER



KENT - Nr. Sandwich, Sandwich 5 miles, Canterbury 8 miles. A superb timber framed "Hall House" dating from the 15th Century, recently extensively renovated, in a quiet rural setting. 2 reception rooms, study, conservatory, 3 bedrooms, dressing room, bathroom shower room, double garage, Cottage garden. About 0.25 acres. Region £225,000. Canterbury Office: 2 St. Margaret's Street. Tel. (0227) 451123.

Ref: LK03349

Lane Fox



HAMPSHIRE - NR HARTLEY WINTNEY Basingstoke 5 miles, Reading 10 miles, Winchester 4 miles, M3 (J5) 4 miles, M4 (J11) 10 miles, London 45 miles. A FIRST CLASS FAMILY HOUSE. Situated in a rural location with excellent communications. 3 Reception Rooms, Kitchen/Breakfast Room, Domestic Offices, 8 Bedrooms, 2 Bathrooms. Gas fired central heating, Double Garage. Heated Swimming Pool, Paddock, About 31 acres. Joint Agents: Egerton 071-493 0576 & Lane Fox 071-499 4785

Head Office: 15-Half Moon St, London W1.



EGERTON HAMPSHIRE Winchester 13 miles, Basingstoke 7 miles, M3 (Junction 7) 4 miles, Central London 45 miles. A FIRST CLASS ARABLE STOCK AND SPORTING FARM. Excellent Paddock, Bungalow, Excellent Farm Buildings, Office Use and Letting on Part Farm Building, Arable and Sheep Enterprises, Good Stock. ABOUT 288 ACRES. FOR SALE BY PRIVATE TREATY AS A WHOLE. Sole Agents: EGERTON LIMITED, 127 Mount Street, London W1T 5HA; Tel: 071 493 0676

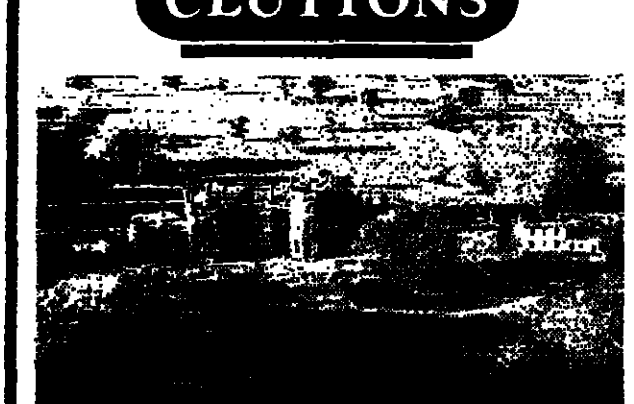
RUGBY WARWICKSHIRE

A Substantial Typical Georgian Style Mid 18th Century Grade II Listed Town House in Excellent Central Location. Also Ideal for the Frequent Traveller/Commuter Being Within One Hour's Train Journey Time from Euston Station and Enjoying Good Communications Via Motorways and 'A' Roads to the Midlands and Elsewhere. The Property Offers Spectacularly Accommodated and Well Maintained Accommodation Having the Benefits of Electric Heating and Briefly Comprising: * RECEPTION HALL * DINING ROOM * EXCELLENT KITCHEN/BREAKFAST ROOM * GUEST CLOAKROOM * LARGE RENOVATED BASEMENT * FIRST FLOOR DRAWING ROOM * FOUR BEDROOMS * BATHROOM * DETACHED BRICK GARAGE * DELIGHTFUL REAR WALLED GARDEN * OFFERS BASED ON £155,000. Contact: Newkings & Harrison, Chartered Surveyors, Auctioneers & Estate Agents Tel: Rugby (0783) 560321

Rusty Slater

CHARMING HOUSE IN UNSPOILT DOWNLAND VILLAGE Rusty Slater Village - On the edge of Goodwood, Hampshire with Chichester Harbour about 8 miles to the south. Charming, beautiful Victorian House. Dining Room, Kitchen, Utility Room, Main Bedroom with Dressing Room & Bathrooms. 3 further Bedrooms, 2nd Bathroom. Oil Heating, Garden Room, Double Garage. Delightful 3/4 acre Garden. £225,000. Property Agent: Philip, Sandy Lane, East Ashling, Chichester West Sussex PO18 9AT. Telephone: (0243) 575451 (including evenings and weekends)

CLUTTONS



CUMBRIA M6 5 miles, Carlisle 6 miles. An impressive Grade II* Listed country house in immaculate condition. 9 reception rooms, 8 bedrooms, 7 bathrooms, nursery rooms and extensive domestic offices, staff quarters. Lodge cottage, flat, chauffeurs house, gardener's cottage. Numerous outbuildings. Walled garden. Suitable for a variety of uses subject to Planning Consent. In all about 35 Acres. CARLISLE OFFICE: (0228) 74792 LONDON OFFICE: 071-408 1010

A SUPERIOR NEW MEWS DEVELOPMENT OF TOWNHOUSES IN CHELSEA

AN EXCITING ADDRESS FOR ELEGANT PROPERTIES

Clifton Gate, Hollywood Road, is a traditional mews development with a quality and style to be envied. Four and three bedroom townhouses - all with garages - in an attractive setting and an exciting location

- 4 bed Townhouse, 2 Reception, 3 Car Garage
- 3 bed Townhouse, 2 Reception, Garage
- Concierge with Video Security
- Private Gated Entrance
- Freehold
- Prices from £525,000

Sales Office Open Today and every day from 11.00am to 5.00pm. Telephone: 071 351 7727.

KNIGHTSBRIDGE RESIDENTIAL HOLLYWOOD ROAD SALES OFFICE TELEPHONE: 071 351 7727

CLIFTON GATE

HOLLYWOOD ROAD, CHELSEA

WESTMINSTER EXCELLENT VALUE LUXURY FLATS

Luxury Flats for sale, over 50% sold. A high class development offering one and two bedroomed flats SUBSTANTIALLY REDUCED in asking price. Situated close to The Houses of Parliament and within the division bell area. Prices of 1 and 2 Bedroomed Flats Reduced between £140,000 & £165,000. Penthouses Reduced to £285,000. CAR PARKING SPACES AVAILABLE. EXCELLENT VALUE IN THIS PRIME LOCATION. 10 Abbey Orchard Street, 5, 7 & 9 Old Pye Street, SW1.

CLUTTONS 45 Berkeley Square, London W1X 5DB. Tel: 071-408 1010

FERN LODGE, HIGHGATE, N6



In a beautiful private setting by Highgate Ponds and The Heath, a distinguished detached, Grade 2 listed Georgian house in mature half acre walled garden. Carefully restored, the spacious and elegant accommodation on just two floors comprises: 4 fine period reception rooms, fabulous 32' x 19' Smallbone kitchen/hallway room, 6 bedrooms, 5 bathrooms (2 en/s), parking for 3 cars, half acre garden with pond. Price on application. Freehold. Sole Agents: Goldschmidt & Howland, 15 Heath Street, Highgate, NW3. 071 435 4404

Handwritten signature and date: 15/12/90

INTERNATIONAL PROPERTY

DOLLAR BASHING VALUES
SHOULDN'T YOUR PORTFOLIO
HAVE WASHINGTON, D.C.
REAL ESTATE?

With the "dollar bashing" exchange rate, now is the time to look closely at property in Washington D.C. WILLIAM SAWYER & CO. has investments to live in, or we'll find you one to work in, or work for you too.

AS LOW AS \$300,000

Fine properties are as low as \$300,000. At DC's "Golden Triangle" are three attached row house available singly, but together have an asking price of only \$1.7 million. Each property (avg. \$575,000) has main house plus separate income unit. Also fine homes in DC's premier residential neighborhood, are as low as \$1,275,000 for almost an acre (0.4 hectares) of land with a newer house and only minutes to The White House.

DOLLAR BASHING DEALS

There are very good values in this "capital market" but fabulous deals if you factor in the current state of "dollar bashing" on the FX.

PRIVATE INQUIRIES

For confidential inquiries, please write, call, fax our Mr. Sawyer or Dr. Harris. WILLIAM SAWYER & CO. will work easily with you in English, French, German, Spanish or Japanese.

BANKING CONNECTIONS

Our financial connections may make your purchase even easier. WILLIAM SAWYER & CO. is not the largest but certainly among the best in presenting opportunities with discretion and privacy. Do try and contact us before the "dollar bashing" on the FX ends. It just may be a very good deal.

WILLIAM SAWYER & CO. REALTORS

1835 K Street, N.W.
Washington, D.C. 20006
Tel: 202 466 7788 Fax: 202 293 3131

FENAIU

PROPERTIES IN PORTUGAL

- Lisbon, 3 kms from airport and close Lisbon-Opera freeway. Offices: 1,200 sq. m. and warehouses: 9,300 sq. m.
- Sintra, historical district, 3,050 sq. m. site with old house. Swimming pool and park.
- Algarve, Almaraz between Quinta do Lago and Vale do Lobo 30,175 sq. m. outstanding site with approvals for tourist development.
- Algarve, Carvoeiro in superb location, luxurious villa, 328 sq. m. of living area. Swimming pool, garden and barbecue. Exceptional sea view.
- Oporto, prime location, luxurious apartment with 360 sq. m. living area. Parking.

LISBON OFFICE OPORTO OFFICE FARO OFFICE
Tel: 351-1-89 31 06 Tel: 351-2-69 54 8068 Tel: 351-89-81 23 1424
Fax: 351-1-89 31 07 Fax: 351-2-600 02 56 Fax: 351-89-257 11
351-1-89 31 14



For a Selection of Commercial Developments, golf and leisure complexes, the majority with planning consent, in South-West and South-East France.
Please call (0444) 416733 or Fax (0444) 414006
Full Bilingual Consultancy Service

PROPERTY BUYERS!

You are looking for real-estate or commercial property in the South of France, direct contact with the vendor, possibility of arranging complete financing, free estimate. Please contact us, mentioning the place and type of property you require.

Send your inquiry to: C.L.N. Intern. Residences Bonaventure, 3 Avenue de la Synagogue, 84000 AVIGNON, FRANCE. Fax: 06982338. You will receive free of charge information on a range of properties visited and selected for you.

SWITZERLAND
Sale to foreigners authorized

Lake Geneva & Mountain resorts
You can own a quality APARTMENT/CHALET in: MONTREUX, VILLARS, LES DIABLES, LEYRIN, GASTAD Valley, GRANS-MONTANA, VERBIER, etc. from Sfr. 200'000.- Credit facilities.
REVAC S.A. 52, rue de Montbéliard - CH-1202 GENEVA
Tel: 41-22-734 15 40 - Fax: 734 12 20

PALM BEACH, FLORIDA

Beautifully renovated, luxurious 2 bedroom/2 bath apartment in exclusive Palm Beach residence with on-site pool/tennis/shops, etc.
Minutes walk to golf course.
Offered at US\$ 189,000
Call Fred Wright, Palm Beach Towers on 407 832 8511 (US)
or Owner on 212 628 9885 (US)

Crédit
Agricole

The leading
French
home loans
bank

For full details phone
now on
081-847 7744
(24 hours)

Member
of The Securities Association

VILLEFRANCHE SUR MER

A most attractive villa of character, located on a hillside in a calm and residential area. Lounge, fireplace, 3 bedrooms, 3 bathrooms, possibility to extend. Terrace 100 sqm - garage - garden, panoramic view over the bay. REF 153.

John Taylor

1 Ave Albert Le 06230 St Jean Cap Ferrat
Tel: 93.76.02.35 Fax: 93.76.13.09

FLORIDA

Luxurious, Prestigious
CONDOMINIUMS
Williams Island
"THE FLORIDA RIVIERA"

- 54th Lounges
- Magnificent Views
- 24 Hour Security
- Private marina
- Spa, Tennis, Golf

For details call 071 629 9554
FAX: 071 489 8854

LENNARD
VYNERINTERNATIONAL
PROPERTY
ADVERTISING
appears every
Saturday
in the Weekend FT.

For more
information
call

Lourdex Bellis on
071-873 4839

PARIS 16th
OVERLOOKING
EIFFEL
TOWER AND
PARK

OPEN VIEW
BOULEVARD FLANDRIN
RECEPTION FLAT
8th and 1st floors
200 sqm. 5 rooms with 100
sqm. terrace on same level +
150 sqm. terrace possible
above maid's quarters +
parking
FF14,500,000 francs.
FEINGOLD
Tel: Office 33.1.49.53.08.08
Home 33.1.47.27.65.72



Prestigious apartments
right on the sea.
Principauté de Monaco.

Domicile Immobilier Monaco
Tel: 33/93.15.92.12 - Fax: 33/93.15.92.13

SKI COLORADO USA

Buy your own mountain cabin, condominium or land in the finest American Rocky Mountain resort - Vail, Breckenridge, Keystone. Enjoy exceptional skiing, golfing, fishing, hunting, hiking and many other activities in an area of stunning natural beauty.
For more information, call or write:
Colorado Properties,
Unit 4, 5000 South Business Centre,
Crestmont, CO, 80046.
Tel: 303-732-0882 (Office)
303-718-5641 (Home)

MIJAS, SPAIN

Luxury family villa overlooking the prestigious Los Hornos Tennis Club. 4 bedrooms, 5 bathrooms, separate guest quarters, office/studio with phone and fax lines, pool, superb landscaped gardens with over 8,000 sq. m. of land. Great views, easy access and privacy. N. golf, tennis, beaches, country, etc.
A \$450,000 plus value, offered for prompt sale direct from owner for €229,000.00 DMO by Jan '91
Call 34 94 32 582925 or fax 34 94 32 582924

VILLARS SWISS ALPS
SKI AND SUMMER RESORT

70 minutes from Geneva airport.
A choice of distinguished holiday chalets and apartments in prime location, on exclusive private park Domaine de la Malédiction, or in the village centre.
Direct sales from the developer.
Attractive low interest Swiss finance.
Contact: Denise de Lavey
15 Huppert Road, London W12 9NE
Tel: 01-748 2186 Fax: 01-748 0339

AUCTION SATURDAY
15TH DECEMBER
LIGHTHOUSE POINT
FLORIDA

4 Houses (2 new) each 2,000 to 5,000 sq. ft. with deep water docks for yachts up to 80ft. Estimated price range \$125,000,000 each. For brochures telephone London: 081 738 8914. Auctioneer: Eagle Auction Company, 901 S. Federal Hwy, Fort Lauderdale, FL 33316 (305) 526 0920

LISBON

Prime commercial investment and development opportunities.
CENTRAL ALGARVE
96 Room apartment on exclusive private development.
Enquiries from principals only:
EPI Ltd 071 738 0122

GREECE/
SKIATHOS ISL

Three apts. (46m²) with
extraordinary sea view.
For sale £44,000/-each.
Eurosoft
Greece (1) 64 46 251

Simply Cyprus

Best locations. Freehold
Villas and Apartments
from £20,000.
Guaranteed legacies.
PROPERTIES
INTERNATIONAL
(Chester) 0625 756728
(24 Hours).

NASSAU,
BAHAMAS.

New development of apartments
from £60,000. Guaranteed
annual return of 10% tax free.
Please contact our attorneys: E
Dawson Roberts, Higgs & Co.,
P.O. Box 1918 Nassau, Baha-
mas.
Tel: (809) 322-4782.
Fax: 322-2048 or
Tel: London 071-584-3427.

SALE OR RENT

Sutton Place, Manhattan
Owner abroad must sell / rent
newly-decorated 1000 duplex
in pre-war Cooperative. Many
extras include use of 1989 BMW,
F.C. FAX and exercise
equipment. Sunny layout
features 2 fireplaces, ex-
tensive kitchen, 2 master and 2 smaller
bedrooms plus staff quarters.

Contact
Brenda Neubauer Murphy
at 212 606 7662

SOTHEBY'S
INTERNATIONAL REALTY

980 Madison Avenue,
New York, NY 10021
Fax 212 606 7661

FRANCE, TOURNAI near Charlemagne in the 19th. Owner sells property and in 9 acres of well kept landscaped grounds overlooking private pond. 100m. Touraine style stone house entirely renovated inside and out. Living room 400 x 200, 4 bedrooms, 4 bathrooms, (5) terraces, patio, swimming pool, sauna, garage, office, laundry, automatic gates, vintage alarm. Also included: outbuilding 400 x 200 on two floors, 30 mins from Paris to Tournai by TGV, 2 hours from Paris to Angoulême by motorway, 2,600,000 FF. Phone Paris morning (01) 331 40 14-15, 15 0332, afternoon (01) 331 4789 5092.

CHANNEL ISLANDS - GUERNSEY unique properties, substantial 400 year old property: 3 beds 5th floor, large indoor swimming pool, garage and other off-site facilities with a good local distribution business (weekend separate). The approach: 250,000 property ideal for a business, real medical clinic business, etc. Price: £130 m. Details from P.O. Box 40, Guernsey, Channel Isles.

BOCA RATON
FLORIDA

GOLF COURSE COMMUNITY
Stunning contemporary 4BR/4BA - pool on
outstanding lake lot. Extensive use of
marble and glass elegantly furnished ready
for immediate occupancy-offered at US
\$749,000.

PENTHOUSE

18th Floor
Magnificent view of ocean and
intercontinental waterway. 2BR/2BA condo
professionally decorated-complex offers
security, concierge, tennis, clubhouse,
marina, offered at US\$249,000
Please contact: Roslyn Cerezo Realtor
c/o Coldwell Banker
101 N. Federal Hwy.
Boca Raton 33432 Florida.
407 391 9997 office
407 391 6230 fax

FRENCH RIVIERA

I am a chartered surveyor residing on
the Côte d'Azur and my British company
provides a personal estate agency
service to those who seek the finest
properties in this wonderful area. I offer
some of the best apartments in Cannes,
exclusive individual villas, country
properties and selected new
developments.

CHARLES MACKINTOSH FRANCES,
London: Tel 01 629 1442
Fax 01 493 8436
Paris: Tel (01) 30 39 09 21 11

LA HERRADURA
(Eastern Costa Del Sol)

Stunning 2 bed flat in the finest
development of high quality apartments and
villas with long-term rental, well-equipped
kitchen, bathroom, large terrace. Shared
above ground pool in a beautiful villa with
separate view of sea and mountains.
Desirable facilities include swimming pool
with bar, tennis courts, restaurant,
barbecue, bar and restaurant.

£46,000
For details write to:
telephone 0924 41172

BOCA RATON
PALM BEACH

If you are considering the purchase of a
luxury residence in this area, please con-
tact:
Roslyn Cerezo, Realtor
c/o Coldwell Banker
101 N. Federal Hwy.
Boca Raton, Florida 33432
407 391 9997 Fax 407 391 6230 (USA)

MEGEVE

Top French resort
Two prestigious developments
in central ski area - quiet & view
of Megeve for 9 privileged families.
2 to 4 bedrooms from FF 3,000,000
CH-Geneva Tel: 41 22 734 15 40
Fax: 41 22 734 12 20

BORDEAUX VINEYARD
(AOC) premieres cotes
de Bordeaux.

20 ha. Estate includes small
17th cent. Chateau (needing some
renovation). Delightful
parkland setting. Prestigious
label.
£2,750,000 Francs.
Serious principals contact: Jean-
Paul Cori (Chateau: Vignobles),
B.P. 50,400 Bordeaux, France.
Fax: France - 33 1 78 29 51.

GOLFE DE ST.TROPEZ

Breathtaking view of St. Tropez, harbour
and coastline, the golf to Eze and the
mediterranean sea. "La grande Bastide",
Villa 240 sqm. Living space, 1,600 sqm.
plus pool, fireplace, last word in luxury.
FF 9,950,000 - or villa 160 sqm.
FF 4,800,000.
SNP France, Tel: 0133(0)4560298 B,
94564866 P, Fax: 94560951

FOREIGN MANORS

EXCLUSIVE PROPERTIES

Lovely old villa house, fully restored. Against hill, part of interior
courtyard, cave and roof terrace. Beautiful view, 2400m habitable
surface. Lisbon. FF1,280,000 +3%.

A very unique Belle Epoque manor, fully restored. On terraced hill side
close to village. 500m habitable surface, the land, 20 mins. from St
Raphael and 30 mins. from Cannes 6.5mFF.

Fortified XVIIIth century Man fully restored, one of the finest in the
Luberon. Shepherd house, swimming pool in lavender field,
outbuildings, 1.5ha. 1 hr from Marseille airport. 13mFF+3%.

Please telephone Agnes Janbert 061-877 1330 or write to
Foreign Manors, 21-23 Elyngs Road, London SW18 2TH.

ANDORRA - THE EUROPEAN TAX HAVEN.

The principality of Andorra is a beautiful country situated
in the Pyrenees between France and Spain. It is rich in
culture with a healthy economy and marvellous climate.
MASSANDOR
have an extensive range of properties for sale in the
best areas for both residential and investment purposes.
Buy direct from the builders.

Call David Smith in London on 071-229 5522
or write for full details to MASSANDOR, Unit 7,
Walmer Studios, 235 Walmer Road, London W11 4 EY

• SOLE AGENTS ON MOST PROPERTIES • INSPECTION FLIGHTS •

15 MINUTES TO RUBENS CENTRE (HOSPITAL) Large old house (originally
suburged) in process of restoration, 3,200
sq. ft. living space, 10 bedrooms, 10 bathrooms,
subterranean parking. FF 14,000,000. FF
14,000,000. Tel: 33 92 92 18 72.

ORANGE PLANTATION In Southern Spain 15
acres in full production, beautiful situation
along river, only 5 miles from the
coast and 20 min to Gibraltar airport. Nice
terraced house, caretaker house plenty of
water, electricity, telephone. For
information please ring (010 3452) - 514148
or fax (3452) - 014528.

SPAIN - EXCHANGE - SALE

Thoughtfully renovated villa near
Malaga overlooking greenbelt, 8
double beds, 2 baths, large sitting-
separate dining-room, study,
garage, terraces, fruit trees,
swimming, 2 wells, stream, reservoir,
phone, all amenities. £149,000 or
exchange with cash adjustment, 3
bed bungalow in quiet area south of
London, west about Winchester,
east about Tunbridge Wells, also
Wells, Somerset.
Phone (010 34) 52 481,670

CAP FERRAT TO RENT

Villa under construction with unique
panoramic view, available for an
unfurnished rental of long duration from
January 1991.
Living area approx. 300 sqm comprising:
living room, dining room, fireplace corner,
kitchen, five bedrooms with adjoining bath,
laundry, storage and self-contained
countryside accommodation. Garage for
four cars and swimming pool.
Principal only.

B. BEAUJEU AMOUCIER
Port de plaisance
06310 BEAUJEU SUR MER
Tel: (33) 93013322 Fax: (33) 93013355

SOUTH-WEST FRANCE

Exclusive residential
property for sale on
championship golf course in
magnificent chateau estate.
Write Box A321 Financial Times,
One Southwark Bridge,
London SE1 9HL

ITALY - LAKE TRASIMENO magnificent 200
sq metre villa with swimming pool & 5
acres. £385,000 English owner. Italy
(Perugia) 01036-785387.

FRENCH PROPERTY NEWS Free monthly.
Old, new & old property, legal column etc.
ask for your free copy now 081-642 0001

Provençal - Var The complete property
service buying, negotiating, buying, re-
solving and managing. We are on the spot.
English Property Services Tel: 016-53-94-
04-42-37 Fax: 016-53-94-04-75

PARADISE ISLAND-PORTUGAL BALEARIC
Islands. Country house, 200 sq. m. living
area, fully furnished, telephone, 2000 sq. m.
garden, 20 min from sea, with car and
motorcycle. £135,000. (negotiable). Tel:
Spain 9 525 7085.

GERMAN TAX 30 MILES Spanish mountain villa
in beautiful location, converted house
with character. Tel: 01-474-8916.

SPAIN - JAVEA turn, villa near sea & shops.
Large 400 sqm villa - 2 terraces - quiet & 3
bedrooms - £20,000 - Photos - ph: 02/
314.08.29-Buenos.

STANHOPE



A quality designed luxury development of one or two bedroom apartments and three
bedroom penthouses on two or three floors, offering an elegant lifestyle in a desirable
location in Highgate, North London.

* 125 year lease * Security * Portage
PRICES £110,000 - £380,000 completion November 1990

PROPERTY PARTNERS - HIGHGATE - LIMITED
4/8 Highgate High Street
London N6 5JL
Telephone: (01-348 0851)
Fax: 081-341 0851

SHOW FLAT OPEN
10am-6pm
Tel: 01-348 0851

FOLKES SOLICITORS EST. 1918

CONVEYANCING £180*

Sale/Purchase/Remortgage/Residential Property.
Fee includes mortgage related work when we act
for your lender. *Plus VAT & Disbursements.
GENERAL LITIGATION/MATRIMONIAL/FAMILY
COMMERCIAL CONVEYANCING & CRIMINAL
61 GREENFORD AVENUE, LONDON W7 1LL
TEL: 081 840 3333 FAX: 081 840 3829

12/18
BLOOMSBURY STREET
LONDON WC1

A new development of
26 apartments with secure
underground car parking

Within walking distance of Covent Garden, this exciting
development of one and two bedroom flats also includes 5
magnificent penthouses, each with private roof terraces. High
specification with porters and security.

145 year leases

Prices from £149,000 - £345,000 (including car parking)

Now Open - Interior Designed Show Flats in a
classical style by Verschoof Interiors.

Joint Sole Agents -

FRANK HARRIS & COMPANY

81 Marsham Street, Bloomsbury,
London WC1N 1AL

071-235 9641

071-387 0077

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

071-236 1520

RECORDS OF THE YEAR

From the flood of issues and reissues this year our critics make their personal choice

New talent and old favourites

THIS WAS the year the compact disc flooded gates opened. Reissues and new issues simply poured out: no sane person could hope to keep abreast, nor do more, indeed, than dip the most ginger of toes in the ever-deepening record pool.

The record companies tumbled over each other to launch or else continue their "editions" of past greats. The packages of Toscanini, Klemperer, Walter, Strauss-conducting, Strauss, Britten, and Beecham were only the most substantial; and of "old" singers, instrumental soloists, and chamber-music performers the CD provision was generous to the point of madness. I seem to have spent most of the year listening to performances loved in LP format and now transferred to CD with, for the most part, glistening clarity and freshness.

In no particular order I would instance the following: Beecham's 1958 account (EMI Studio CDM 7 63871 2) of the *First Faust Symphony*, the chamber-music reading of this great, difficult work; Pierre Monteux's still-unmatched 1959 *Daphnis et Chloé*, together with other Ravel items (Decca 425 956-2); Lisa Della Casa's ravishingly cool and beautiful Strauss *Four Last Songs* (Decca 425 959-2); a somewhat dry-sounding transfer; the famous 1952 Clifford Curzon-Amadeus Quartet accounts of the Mozart Piano Quartets (Decca 425 960-2); and gems from the EMI "References" series involving the tragically short-lived violinist Ginette Neveu (CDH 7 63483 2), Conchita Supervia in incomparable Bizet and Rossini selections (CDH 7 63498 2), the Beethoven violin sonatas of Adolf Busch and Rudolf Serkin (CDH 7 63494 2), and a two-disc, 1935-1951 compilation (CDH 7 63538 2) of glittering treasures from the Vladimir Horowitz storehouse - his death was one of the last year's sombre musical milestones.

In the opera field the companies took the opportunity to make available not just the celebrated sets of the past (Toscanini *Falstaff*, Klemperer *Fidelio*, Furtwängler *Ring* and so on) but works and performances that may have missed the spotlight when first issued. Two French EMI discs of this sort - fragrant minor works turned into major pleasures by their performers' skill - both feature the soprano Mady Mesplé: Auber's *Manon Lescaut* (CMS 7 63522 2) and the Reynaldo Hahn opera *Ciboulette* (CMS 7 49873 2). I strongly recommend the 1956 EMI set (CDM 7 60590 2) of Falla's *La vida breve*, the later of two made by the incomparable Victoria de los Angeles. It's an opera perhaps better heard at home than in the theatre; and the EMI sound picture remains wonderfully vivid.

It's been altogether a good year for opera rarities. Not for the first time in these annual surveys, John Eliot Gardiner dominates my choice of new opera sets, since it is his combination of adventurousness and immaculate sense of style that has brought the greatest rewards. Gluck's *Iphigénie en Aulide* (Erato Musifrance 245 003-2) was probably 1990's most important single addition to the opera catalogue - a great and gruesomely undervalued work here "argued" with blind eloquence by conductor and singers including the great Jose van Dam, Lynne Dawson and Anne Sofie von Otter. Gardiner and Von Otter joined forces to revive with magical beauty the correct (and therefore seldom played) Berlioz version of Gluck's *Orpheus* (EMI 7 49834 2); as if that were not enough, Gardiner's account of a too-little-known Offenbach opera, *Les Brigands* (CDS 7 49830 2), with an all-French cast, immediately demanded its place among the headiest operetta delights on record.

Rossini devotees could rejoice in *Zelmira*, an opera seria dismissed by the Rossini scholars but revealed, by such singers as Cecilia Gaudin, William Matteucci, and Chris Maitt, as a cornucopia of inspired moments (Erato 2282-45419-2). Two sopranos of highly distinctive vocal and dramatic style produced memorable opera recitals: Françoise Pollet, the "new" hope of French opera, in an enticing collection of French arias (Erato Musifrance 2282-45025-2), and the incandescent Josephine Barstow, lavishing extraordinary artistry on four operatic final scenes (including the complete Puccini-Alfano *Turandot* finale), with Scottish Opera forces under John Nesch (Decca 420 203-2). Still with sopranos, the American Barbara Bonney sings Wolf and Strauss Lieder with exquisite pinpoint charm and freshness (DG 429 406-3).

Finally, a random selection of new records that have held their own in spite of the flood of the old. In Schubert Impromptus and like small pieces (Decca 425 612-2), and as accompanist to Peter Schreier in a new *Schwansong* (Decca 425 638-2), André Schiff shows himself a Schubert pianist of rare quality. The partnership of Gidon Kremer and Martha Argerich makes violin-piano works by Bartók, Janáček and Messiaen burst into flame (DG 427 351-2). As for Kevin Jones's *Chamber Music with Grass* (Londor CTCLD 111) - four chamber-music items "in memoriam Bruce Chitwin" mixing South African melodic inspiration and a highly personal offshoot of minimalist technique I have played no record more often, or with greater joy, the whole year.

Max Loppert

hooked on Torke

WHAT DO music-lovers want for Christmas? Well, music-lovers belong to various tribes; you shouldn't thrust records upon them (nor should they upon you) without having a fair idea of what they prefered territory. The following notes about very good records - not necessarily the "best of the year" - I don't pretend to have surveyed the entire 1990 output - aim to say where they fit. I keep in mind also that a good Christmas-gift record is one that will be fun to play at visitors.

Max Loppert

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke

hooked on Torke



Leonard Bernstein, above, a major musical figure sadly lost this year; Richard Fairman recommends his dazzling account of Ives's Second Symphony. Both Max Loppert and Ronald O'Leary single out John Eliot Gardiner, left, for his Gluck and Berlioz recordings



the better to realise his dazzling, jazz-flavoured rhythmic and polyphonic experiments.

Knockout performances for good home equipment: the young Japanese orchestra Saito Kinen conducted by Ozawa in the Fourth Symphony of Brahms (Philips 426 391-2) - an assured and uncontroversial reading, played with such precise, super-been far-out as to be quite riveting; Dohnányi and his Cleveland Orchestra (Decca 425 694-2) in a straight account of Bartók's evergreen Concerto, and a towering, expansive performance of Lutoslawski's irresistible 1954 one, his last "conservative" piece (play it loud); Dorat and the Detroit Orchestra magnificent and decadent (with a fine tenor, Ryszard Karczykowski) in Szymanowski's "Song of the Night", his Third Symphony, along with the Second and some essential Bartók (Decca 425 625-2).

Teaching soloists: the pianist Ivo Pogorelec (not a regular favourite of mine) self-conscious but genuinely searching, and technically astonishing, in Chopin's Preludes (DG 429 227-2); Gidon Kremer and Martha Argerich peerless, definitive, breathtaking in Bar-

tok's 1st Violin Sonata, with Janáček and Messiaen (DG 427 351-2); Pascal Rogé winningly stylish and imaginative in early Fauré piano music (Decca 425 605-2). In a new recording of the Brahms violin concerto with Dohnányi and his Cleveland band (Teldec 2292-44944-2), Thomas Zehetmair's irrepressible personality is strikingly well-found proper Hungarian-style flair and bite at the start, but unabashed lyrical touches later, with period *portamento*, which persuade me that Joachim himself would have played the concerto just so.

German opera: Armin Jordan's appealingly fresh, unpretentious, canny through Mozart's *Die Zauberflöte* with a bright young cast (Erato/WEA 2292-45469-2, two CDs). Abba's noble salvage of Schubert's *Fierabras*, a failure at the time but full of distinguished music, enhanced now by some of the best voices around: Prochaska, Cheryl Studer, Karla Mattila (DG 427 341-2, two CDs). The conductor Ene Queler putting the best possible face on Richard Strauss's early *Güntram*, with heroic delivery of the title-role by Reiner Delberg: Strauss devotees must

have this, for there will be no competing version. Beautiful reissues of his *Rosenkavalier*, in the great and irreplaceable Erich Kleiber performance with Jurinac, Gueden and Lindwig Weber (Decca 425 950-2, three CDs), and of the Schwarzkopf/Gedda/Fischer-Dieskau/Hotter *Capriccio* under Sawallisch (EMI CDS 7 49014 2, three monoaural CDs).

For Francophiles attuned to the *fin-de-siècle*: the symphonies of Franck and Chausson, conducted with sharp silhouettes by Francesco d'Avalos (ASV CD DCA 708), and Janowski bringing vivid life to Florent Schmitt's *Symphonie* ballet and his *Pavane 47* (Musifrance 2292-45029-2). The stern and splendid Violin Sonata of Albiner Magnard, aristocratically expounded by Augustin Dumay and the pianist Jean-Philippe Collard (EMI CDS 7 49890-2); those who already know his opera *Guenever* or his Fourth Symphony will not hesitate.

Christmas-music as such is mostly all too familiar, but for those same Francophiles there is a charming discovery to be made: Gabriel Pierné's 1907 cantata *Les Enfant 5* *Bethléem*, a "mystère" or pious

table - in two parts, with narrator, soloists and children's chorus. Tender, haunting and seemingly simple, it glows in a Radio France performance under Michel Lasserre de Rozel (Musifrance 2292-45008-2).

David Murray

Cover him with grass

Cover him with grass

Cover him with grass

Cover him with grass

Spoken Word

Comedy, classics and grisly tales

in its own right and ought not to be missed. Cover to Cover sets are available by post from PO Box 114, Marlborough, Wiltshire SN8 8UG.

Chivers Audio Books of Windsor Bridge Road, Bath BA2 3AX also specialise in the best of the spoken word, and particularly in the best of the spoken word, and particularly in the best of the spoken word.

The next from Chivers is *Smokescreen* (CAB 488; 6 cassettes; 6 hours 12 minutes) by Dick Francis, the one about the English film star who goes to South Africa to investigate loss of performance in a dying friend's string of racehorses, and very nearly loses his own life. Tony Britton perfectly reflects the writer's pace and vitality in his splendid reading. Highly enjoyable. The third set from Chivers is the best reading of a P G Wodehouse story I have ever heard: Jonathan Cecil giving the full treatment to *The Cuckoo in the Nest* (CAB 497; 6 cassettes; 7 hours) - that's the one about the coveted 18th-century silver cup creamer - from Schiltroon Audio Books (1 Nursery Buildings, New Lanark, Lanark, Scotland ML11 5DP) there is a characteristically formidable reading by Eileen McCallum of *Sunset Song* (SPF 3200; 8 cassettes; 11 hours), published in 1924 as the first volume in Lewis Grassie Gibbon's trilogy of Scottish life, *A Scots Quair*. Gibbon (real name James Leslie Mitchell) wrote a kind of renovated Scots dialect, and McCallum's powerful and lyrical reading of it helps to make this set such an arresting listen.

Last of the unabridged novels is Daniel Defoe's *The Life and Strange Surprising Adventures of Robinson Crusoe*, of York, Mariner (pub 1719), read unabridged by Anthony Horner for his own recording company, The Complete Listener, (Field End Cottage, 8 Apple Street, Oxenhope, Kedgeley, West Yorkshire BD22 9LT (unnumbered; 8 cassettes; 8 hours 30 minutes). The first of my two favourites among the abridged sets is

an excellent new production of Jane Austen's *Persuasion* under the Argo label (Argo 1178; 2 cassettes; 4 hours 30 minutes). Peter Orr abridged and produced, and Prunella Scales gives a very charming reading. Argo sets are marketed by EMI. My other favourite is Jerome K Jerome's *Three Men in a Boat* in a lovely, companionable reading by Hubert Gregg, recreating all the colour and gaiety of boating on the Thames in the summer months of 1889. This delightful set (RSJ 3001; 2 cassettes; 3 hours; abridged) is issued by Landfall Productions of 19 Nasscot Street, London W14 0HE. The same company also produces a series of single cassettes as part of *The Road to the Unknown*, which includes an ingenious story by the American author H F Lovecraft - 1890 - 1937) called *Reanimator* (RSJ 5007; 1 hour 30 minutes). Read horror here, well captured in the clear, Hagon's reading, and not for the squeamish.

Schiltroon also has some horrors to offer. Clive Champney and Robert Trotter read four stories by Sir Arthur Conan Doyle in *Tales of Terror* (SPF 170-2; 2 cassettes; 4 hours 21 minutes), two of which are all they claim to be. The *Leather Funnel* is disturbing and nasty, but *The Case of Lady Sennox* is actually very "sick". Also from Schiltroon, a period tale of a sea of *The Floating Prison* (SPF 515-2; 2 cassettes; 3 hours; abridged and adapted) by Gaston Leroux, author of *The Phantom of the Opera*.

To turn gratefully to something more cheerful from Schiltroon: *Uncorking Old Sherry* (SPN 825-1; 1 cassette; 1 hour 25 minutes) is a brief pro-

file and biography of Richard Brinsley Sheridan (1751-1816) as if spoken by himself. An amusing, touching and immensely interesting glimpse of a man who wanted to be buried next to Charles James Fox but was buried near to Garrick instead; carefully read by Martin Heller.

More autobiography: for the ASV Group (179-181 North End Road, London W14 9NL), Harley Ussil who was joint founder of the original Argo company back in 1952 has recorded an informal interview with Dame Ninette de Valois, creator of the Royal Ballet, recalling her childhood in County Wicklow, under the title *Path of the Morning* (ZC SWD 364; 2 cassettes; 1 hour 30 minutes). Moira Shearer, herself once a notable ballerina with the Royal Ballet, completes the set with Dame Ninette's "Sketches of Childhood" and four of her previously unpublished short stories, read with skill and affection.

On the basis that you cannot have too much of a really good

Zemlinsky's more marginal *Es war einmal* (Capriccio 60019-2, two CDs).

More Zemlinsky - his substantial Masterlinck songs Op.13, beautifully done by Jard van Nes - appeared as a makeweight on Riccardo Chailly's rather ponderous account of the Concertgebouw of Mahler's Sixth Symphony (Decca 430 165-2, two CDs). For those after the symphony, then Simon Bartle's Mahler 6 with the CBSO offered no extras, but a fierce directness without frills or spurious neuroses (EMI CDS 7 54047 2, two CDs). Chailly's wide-ranging interests have started to bring imaginative couplings to many of his recordings, while his collection of Berio (Decca 452 832-2) introduced the recent and effortlessly beautiful *Formazioni* to the catalogue alongside versions of the *Folk Songs* and *Sinfonia*.

Perhaps the most significant contemporary music releases were those of Boulez on CBS and Erato, bringing CD versions of almost all his major works, and the first ever recordings of *Le Visage masqué* and *Figures*. *Prismes* (Erato 2282 45494-2). With the Vienna Philharmonic Claudio Abbado produced a quirky compilation of short contemporary pieces, most valuable for Wolfgang Rihm's beautifully economical choral setting of Rimbaud, *Départ*, and Nono's early *Liebeslied*, but also including Ligeti's *Atmosphères* and *Lontano* (Deutsche Grammophon 429 250-2).

A first disc of the music of Simon Brindley (Continuum CDM 1020) not only restored his *Viola Concerto* of 1978, but made available two of the most attractive and successful of his recent scores - the brilliant little oboe *Concertante in moto perpetuo* and the ambitious *Fantasia for Double Orchestra* of 1988. And the four works of Kevin Volans brought together as a memorial album to Bruce Chatwin, "Cover him with grass" (Londor CTCLD 111) offers perhaps the most distinctive new creative voice to appear on disc this year, a hypnotic collection, including two versions of his best known *White Man Sleeps*, in which the use of African material is never fey or condescending but the starting point for genuinely fresh explorations of rhythm and texture.

Mitsuko Uchida's collection of the Debussy *Etudes* (Philips 422 412-2) was by a long stretch the finest new recording of piano music I came upon this year, a magical fusion of tech-

nical control and clarity with a sensibility perfectly tuned to late Debussy. In the continuing absence of any new solo discs from Martha Argerich, the transfer of her mid 1970s versions of Schumann's *Fantasies*, *Etudes* and C major Fantasy (EMI CDM 7 63576 2) was wonderful compensation, arguably the finest Schumann playing of the last 30 years on record, while the latest of her collaborations with the violinist Gidon Kremer - Bartók's First Violin Sonata, Franck's Sonata, Messiaen's Theme and Variations - has an extraordinary charge and chemistry, two inspirational musicians each bringing the best from the other (DG 427 351-3). An equally exceptional sonata disc from another age transferred Adolf Busch and Rudolf Serkin's 1933 versions of Beethoven Op.30 no.2, performances of uncompromising purity and strength of purpose, with Busch's magisterial account of Bach's solo D minor Partita (EMI CDM 7 63494 2).

The celebrations for the centenary of César Franck's death would not normally have found me quivering in anticipation but Vladimir Ashkenazy's collection of the D minor Symphony, the piano and orchestra *Les Djinns* and the fascinating symphonic poem *Pavane* (Decca 425 452-2) is a thoroughly absorbing and idiomatic. Again on slightly unfamiliar territory, the reissue of Erich Kleiber's 1953 *Der Rosenkavalier*, with its peerless Octavian (Sena Jurinac) and Sophie (Hilda Gueden), and Kleiber's supple, subtle moulding, dismissed even this Straussophile (Decca 425 950-2, three CDs).

Frans Brüggen continued his fastidious, rewarding series of live recordings with the Orchestra of the 18th Century. Bach's E minor Mass (Philips 426 236-2, two CDs) was an excellent reissue of soloists with the counter-tenor Michael Chance outstanding. Beethoven's Seventh and Eighth Symphonies (Philips 426 846-2) are acts of re-creation that take the precepts of authenticity as just a starting point.

Finally two discs of Brigitte Fassbender, each in its own way a perfect example of her exceptional gifts and intelligence. Her *Winterreise* (EMI CDM 7 49646 2) with Arribert Reimann may not be to all Schubertian tastes but is involving and involved in a compelling way, while the year's great oddity, the piano version of Mahler's *Das Lied von der Glocke*, with the Moser and Cyrien Katsaris (Teldec 2292 45276-2), is full of surprises - not least in heightening awareness of Mahler's orchestration and of just how organic his sound world is.

Andrew Clements

here is Woody Allen, probably at his peak, in *The Nightclub Years* (ECCS; 1 hour 20 minutes), live club appearances from 1964, '65 and '68; Flinders and Swann, in live performances of *At the Drop of a Hat* and *At the Drop of another Hat* (ECCS; 1 hour 45 minutes); *Beyond the Fringe* live in London and New York. There is also a *Peter Sellers Collection* (ECCS; 1 hour 20 minutes); Volumes 1, 2 and 3 of *The Goon Shows* (ECCS, ECCS); a sampler of short pieces called *British Comedy Classics* (ECCS; 1 hour 20 minutes) with Eric Morecambe, Peter Ustinov, Kenneth Williams et al; and a remarkable collection called *Comical Cuts*, pieces from the 1930s and '40s by legendary stars - Cicely Courtneidge, Mabel Constanford, the Crazy Gang, the Western Brothers, Gail Porter, the great Sid Field and many more.

Mary Postgate

complete & unabridged classic books on cassette

Books recorded include: *Persuasion* read by Anna Massey; *Bleak House* read by Hugh Dickson; *Barchester Towers* read by Timothy West; *The Moonstone* read by Peter Jeffrey; *The Mill on the Floss* read by Eileen Atkins.

Anna Massey reads **NORTON ANDER ABNEY** "Cover to Cover Cassettes, the last word in quality" **The Listener.** Christmas Gift Wrapping Service available

Send this coupon for our full catalogue and details of Direct Mail discounts.

NAME _____ ADDRESS _____ POSTCODE _____ Cover to Cover Cassettes Ltd, PO Box 112, Marlborough, Wiltshire SN8 5UG. Tel: 0264 89227

CLAUDIO MONTEVERDI

Vespro della Beata Vergine

MONOYIOS - PENNICH - CHANCE - TUCKER - ROSSON - NAGLIA - TERFEL - MILES
THE MONTEVERDI CHOIR LONDON - THE LONDON ORATORY JUNIOR CHOIR
THE ENGLISH SABBATH SOLOISTS
HIS MAJESTIES SAGBUTTS AND CORNETS

JOHN ELIOT GARDINER



AVAILABLE ON
2 MC, 2 CD
& VHS VIDEO
LASER DISC
AVAILABLE SOON

A co-production of BBC TV, Deutsche Grammophon Gesellschaft mbH and West Eleven Entertainment.

These audio and video releases of the *Vespro della Beata Vergine* were recorded and filmed live at a May 1989 concert performance in St Mark's Basilica, Venice.

Schiltroon AUDIO BOOKS FOR THE DISCOURAGED LISTENER "THE COUNT OF MONTE CRISTO" by Alexandre Dumas "THE THREE MUSKETEERS" by Alexandre Dumas "THE HUNCHBACK OF NOTRE DAME" by Victor Hugo and specially new readings of works by Sir Arthur Conan Doyle, George Bernard Shaw, Lewis Carroll, J.R.R. Tolkien, C.S. Lewis, D.H. Lawrence, Rudyard Kipling, P.G. Wodehouse and many others. 1 NURSERY BUILDINGS, NEW LANARK, SCOTLAND ML11 5DP. Tel: 055 65655. Prompt Mail Order Service.

Available from all good record shops **CHRISTMAS CONNECTIONS** (Cassettes: HPC102 CD: HPC102) AND CLASSICS & CAROLS (cassette only HPC101) by Hatfield Philharmonic Chorus including arrangements by JOHN RUTTER & PETER GRITTON In case of difficulty, ring CHORD RECORDS 0904 45660 HPC is a registered charity

French taste

Save £ 10

ACCESS VHS

Libby Open: 800

Libby Open: 800

XXIV WEEKEND FT

I SHOULD NOT want to be in Oliver Letwin's pinstripes when the bell goes for the General Election.

Letwin, a Thatcherite merchant banker, will be in the blue corner defending Sir Geoffrey Finsberg's 2,221 majority at Hampstead and Highgate. Facing him in the red corner will be the formidable Miss Glenda Jackson. The very mention of the word "Thatcherism" makes her growl like a tigress.

Bystanders to what promises to be one of the more colourful contests of the election will no doubt complain, as they have already, that Labour is playing Celebrity Squares with Jackson's candidacy.

It may be. But they should not underestimate her on that account. Anyone who, at the age of 54 and with two Oscars to their name, is prepared to give up a leading role on the world's stage for a walk-on part in the Westminster playhouse has to be reckoned with.

Jackson seems surprised that people should be surprised by her choice of second career. She thinks it is due to a misunderstanding of what acting and actors are about.

She said her over-riding motive for accepting Hampstead's invitation to stand for Parliament — the last of many such requests — was a sense of patriotic duty.

"I find it difficult to express cogently and coherently my sense of shock at the level of shame on another, real fear in many ways at the direction that this country is being made to go under Conservative, well, under Thatcherite government.

"I am appalled at the kind of people we are being urged to be: ruthless, selfish, self-centred, exploitative. For me one of the great prizes of being English was believing I lived in a country where it was acknowledged that societies prove their cohesion by the way they look after those least able to look after themselves. And that has been completely and utterly turned around."

Offstage, she is the least theatrical of actresses. What you see is what you get. When she talks politics she is disappointingly deadpan, although it is obvious she knows her lines. There is no rhetoric, no tricks of dramatic emphasis to adorn the message, just that throaty voice and an occasional unwinding of limbs to remind you of the sensual, dominating creature she becomes on stage or film.

Her stubborn lack of personal vanity (how many women would face the camera without a single dab of make-up?) makes her, I would say, a dangerous opponent. She hasn't the comfortable, throw-together jolliness of a Shirley Williams, nor the sharp femininity of a Barbara Castle. I was reminded rather of the Greek actress-politician Melina Mercouri in her younger days: all eyes, lips, teeth and conviction.

Many people in her profession, I said, felt as keenly as she about the state of society. Their answer was to write, direct or act in plays (as Jackson has done) to highlight the failures of government.

"Well, for a start I can't write."

"Have you tried to write?" "Yes. I have difficulty writing a postcard. I could never write a play. But that begs the question. The quality of the message is irrelevant if that message doesn't meet the requirements of the medium. It's not enough to put on an agitprop play and say this is a good piece of theatre. It has to be a good piece of theatre before it can be good agitprop." In any case, she said, the audience was too small.

I suggested that theatre socialists were often idealistic or naive.

"Well, that presupposes that idealism and naivety have no contribution to make. If you transposed the words 'idealism' to 'imagination'



Private View

The tigress on the tail of little boy blue

Christian Tyler talks to Glenda Jackson about her move into politics

and 'naive' to 'hope' then you see they are things which have been remarkably lacking in politics here over the last 11 years. What we saw in East Europe, for example, was the triumph of imagination and hope. That clearly is something we must begin to utilise in this country."

I asked why she should want to swap a highly-regarded profession for one the public rates so low. She disputed my premise, saying that actors were still regarded pretty much as "licensed jesters" and that their contribution to the life of the country was questionable.

She entered politics not as a last resort but because she was bored with acting. "It has absolutely to do with the fact that where I was born I intend to die, and I want in the intervening period to feel some kind of pride in my country."

At some point, I asked her, weren't you in love with theatre?

"No. I've never ever had that stage-struck, romantic view of the theatre. Although I absolutely acknowledge that I have had the most fortunate experience, it has never been anything other than grinding, gruelling hard work, usually in unspeakably poor conditions, with ghastly anti-social hours. It is not a glamorous profession, although it likes on occasion to present itself as such."

I suppose if you stayed in acting you would stand a good chance of becoming Dame Glenda one day...

"I wouldn't have thought so really. It's not something that I necessarily hanker for. Actors are too

grateful for work ever to think about additional benefits like damehoods or knighthoods."

But you are a star, however much you may dislike the word.

"It's not that I dislike the word. It's that it has no application in the real world. It's meaningless."

The senior Tory John Biffen warned her recently that she would find the House a masculine, cliquy place. She would encounter some animosity because of her decision to

not now, I asked?

"Maybe it's lack of imagination on my part but I've never been concerned to wonder who I am." She laughed. "I'm of a generation and a socio-economic grouping [she means working class] that had to work for its living and didn't have time to wonder."

Jackson, whose socialism has a 50s feel, put housing first in her list of political concerns. "Because I cannot see how as a human being

nist when it came to levelling up the statute book or stamping out serious sexual harassment. "But I'm not a feminist on the level of caring whether people call me Ms, Mrs, Miss or that sort of thing."

You once said you had a low boredom threshold, which seems to me an admirable thing to have. But it also probably means you are impatient. Do you have an ambition to get to the front bench?

"No, none at all. We have a shadow cabinet of some quality and both depth and breadth — and they are young, which is a great plus I think. My time will be more than adequately taken up with the constituency."

You don't have a secret desire to be Prime Minister?

"Good God, no. I have no particular desire to hold cabinet office, to rise up within the party. But I have an overweening ambition to see a Labour Government returned."

If you don't win this seat, what will you do?

"I should think cry for a couple of days. Because if we don't win Hampstead I think it's unlikely that there will be a sufficiently large swing over the country to return a Labour Government. But I would chalk it up to experience and wait to see if I am asked to stand again."

Meanwhile I'd hope someone would offer me a job in the theatre — because I'd have to earn some money."

You can begin to structure a life for yourself, to explore your possibilities, to make any kind of contribution to society and to the family for which you are responsible if you don't have somewhere you can call home. It is as simple as that."

What about so-called women's issues?

"Well, I would like to know what is a woman's issue. I mean, I cannot think of a single piece of legislation over the last 11 years that hasn't affected women directly or indirectly." She said the idea of a Minister for Women was "exhausting" but she would not work against it.

She described herself as a fami-

switch horses in midstream. She told him there was nothing new in that. The theatre, too, was male-dominated and a place where no quarter was given or asked.

I asked about her self control in the face of needing by adversaries. "I think I'm probably pretty good at keeping my temper," she replied. "Mine is a highly disciplined profession: the idea that the theatre is an arena for the open and free exercise of ego and temperament is entirely untrue. I think it takes me a long time to lose my temper. But equally having lost it it takes me a long time to regain it."

Is it the real you that is coming

'I am appalled at the kind of people we are being urged to be'

They lunched for Britain

Michael Thompson-Noel

IT IS a theory of mine that most recessions can be blamed off the water by a strategically-timed lunch. Even three or four. A dozen is bound to work.

Take advertising. Some years ago my duties for this newspaper included coverage of the advertising business. I was supposed to write about the marketing world as well, but discovered that marketing was so dull and dingy —

slippery-smooth brand managers, pompous researchers, awful retailers, much mind-numbing talk about pricing and packaging and the merits of different lawnmowers — that after a while I concentrated on my reportorial energies and the advertising business.

A large part of my week involved lunching with agency chieftains — a group of men (there were virtually no women) who combined wit, wisdom and persuasiveness in such a fine way that I came to view advertising people, even their humble adverts, with the utmost affection, which I retain to this day.

At a rough calculation, I suppose I had between 700 and 800 lunches with advertising people. What was the result? I will tell you the result. It was roaring expansion.

Soaraway billings. Mega-takeovers. So many awards and plaudits for the agencies with whom I consorted that Martin Boase, one of the moguls, had the effrontery to call London the "Athens of world advertising."

But just look at things now. Spending has slumped. Morale is low. Some agencies have folded. I used to lunch with Winston Fletcher, one of the wittiest men in London — perhaps he still is — who would fill my ears with terrible scandal. I used to lunch with Maurice Saatchi, invariably at the Ritz, who revealed to me his dreams of global brand advertising. For Maurice, size was all-important — perhaps it still is. I lunched with Frank Lowe, who looked like a tennis star — perhaps he still does — and was terrifically urbane.

I lunched with Jeremy Bullmore, of J Walter Thompson. With Tim Bell, whose Ferraris were always bursting into flames as he went about his business. With Peter Craig & Dancer, whose outrageousness, I reckoned, was only skin-deep. I may well have been wrong.

One of the kindest men I lunched with was the chairman of a leading agency that specialised, most profitably, in dull-as-ditchwater ads for dull-as-ditchwater brands.

Services, I would meet him at the agency, view the latest house-reel of the agency's commercials, then ride with him in his Rolls to his favourite Mayfair restaurant.

The md's name was Jacques. The chairman called him Jacks. The chairman was under the impression that I was 23 years of age and thus never to his served spirits. Champagne was all right. He always did the ordering. "Jacks," he would say. "I'll have the usual."

Life has not been pleasant lately. I am starting to feel the pressure:

1) I was racing the other day, and a bookmaker looked at me. I said to him: "I am not feeling well. You are not to look at me." But he went on looking. He shouted: "Nine-to-four the field," but carried on looking. Insolence like that must be pursued in the courts. I have marked him down for £100,000.

2) Dining at my country club, I noticed that a pair of button mushrooms, lurking on my plate, resembled the eyes of Cecil Parkinson. I was deeply upset. I summoned the manager, but the refusal to comfort me, I am suing the country club for £1m.

3) To help ward off another 15,000 readers' letters, I ought to explain that the name of this column comes from Hamlet, Act II, Scene II, in which Hamlet tells Rosencrantz and Guildenstern: "I am but mad north-north-west: when the wind southerly I know a hawk from a handsaw." Glad to have cleared that up.

asparagus soup, lamb cutlets, bread-and-butter pudding, a bottle of finest malmsey — while my young guest will have prawn cocktail and grouse. Perhaps a few chips. Something off the trolley. A bottle of French champagne."

He always said "French champagne." I admired him for that. The order never varied, whether it was August or January, he always said "Prawn cocktail and grouse. Perhaps a few chips. Something off the trolley. A bottle of French champagne."

It was a disgracefully expensive restaurant. Also quite tarty, pleasingly so. It always had grouse. I used to wonder where it came from — New Zealand, I suppose — but never really asked.

It pains me that the advertising business is temporarily in recession, though so far as I know all my old friends are exceedingly rich. I keep up with them in the glossies where they allow themselves to be photographed in their shatteringly costly houses and chat amiably with the reporter about their taste in modern furnishings while their shatteringly costly wives fester silkily in the background.

To help defeat recession, I am ready to do my bit. I have studied my FT diary. It is as bald as a coot.

Strikingly bereft of trips into Mayfair. What is needed is prawn cocktail and grouse, perhaps a few chips, something off the trolley, a bottle of Malvern water. Then back to the office in the chairman's Roller. I think you should call me. It's about time we lunched.

□ □ □

HAWKS & HANDSAWS

THE US Supreme Court is tackling a question now preoccupying lawyers throughout America: Can you sue someone for scaring the wits out of you and if so for how much? Citizens are winning ever bigger sums from firms who believe they merit compensation for unpleasant experiences. — News item.

Life has not been pleasant lately. I am starting to feel the pressure:

1) I was racing the other day, and a bookmaker looked at me. I said to him: "I am not feeling well. You are not to look at me." But he went on looking. He shouted: "Nine-to-four the field," but carried on looking. Insolence like that must be pursued in the courts. I have marked him down for £100,000.

2) Dining at my country club, I noticed that a pair of button mushrooms, lurking on my plate, resembled the eyes of Cecil Parkinson. I was deeply upset. I summoned the manager, but the refusal to comfort me, I am suing the country club for £1m.

3) To help ward off another 15,000 readers' letters, I ought to explain that the name of this column comes from Hamlet, Act II, Scene II, in which Hamlet tells Rosencrantz and Guildenstern: "I am but mad north-north-west: when the wind southerly I know a hawk from a handsaw." Glad to have cleared that up.

SPORT

Golf/Lauren St John

High-speed tour takes its toll

Lauren St John has spent the last three seasons as a full-time follower of the European professional golf tour, where the rewards — and pressures — are rising rapidly. She explains what it is like to follow the band.

IF THIS is Tuesday, it must be Belgium. Not long after embarking on a season's travel on the European golf tour, one begins to think that way. Dubai, Madrid, Florence, Cannes flash by like views from the window of a high-speed train.

One reason is the way we travel. Most players and golf journalists travel in packed groups screened from problems that face ordinary tourists. We travel swiftly, flitting from one country to the next with time only for fleeting impressions.

The European PGA tour, which in 1991 will boast prizemoney of £20m, now starts in the first week of February and runs to November, with nearly 200 golfers playing between 18 and 35 tournaments each a year. Next season at least 10 tournaments will be worth more than £500,000. The tour travels to 14 countries and extends beyond the boundaries of Europe. In 1991 it will start in Dubai with the Desert Classic and end in Jamaica with a new Johnny Walker-sponsored tournament, where the first prize will be \$525,000 and the last-place finisher will receive \$50,000.

Each Tuesday we board a plane, go to a

tournament, climb back on the plane on Sunday, go home, get on another plane. Weeks are no longer made up of weekdays and weekends but of practise days, pro-am days and tournament days. Monday, of course, is laundry day.

We quickly become expert on the short cuts to acquiring visas, checking in at airports — and packing.

Most players spend about £1,000 a week during the season on accommodation, flights, food and caddy. Players who live outside Europe have to bear the cost of additional airfares and the expense of maintaining a second home. Australian Peter McWhinney spends over \$100,000 annually. "It seems a lot in the short term, but you've got to pay it for the good of your career in the long term."

The two main requirements of a tour player are English-language satellite TV and fast food restaurants. The European Masters champion, Chris Moody, says that most professional golfers hate travelling and are xenophobes anyway: "If there's not a McDonald's down the road and they

can't get ITV, they're not interested."

The day-to-day routine of life on tour is as regimented as that of any commuter. Each morning, players rise two or three hours before their tee-off time, take a courtesy car to the course and warm up for their round for anything from 20 minutes to 1½ hours. The Australian Rodger Davis likes to arrive at the practise range exactly 55 minutes before he tees off. That way he can spend 30 minutes hitting balls, 15 minutes putting and seven minutes on the first tee before driving off.

On completion of his round, a golfer will return to the practise range for another hour or two and try to iron out swing flaws or other faults. In the evening, everyone goes out for dinner. Gordon J Brand says: "You have to. It passes more time if you go out. You've got a lot of time to kill."

More than that, players like to escape the heavy silence of their hotel rooms, as well as their thoughts and fears. Every town has its rituals. In Dubai, we shopped for fake designer watches and clothes, and

saw the poverty in the crumbling tenements above the gold souk; in Monte Carlo, some of us accepted invitations to the palace and drank cocktails with the royal family, others chose to gamble; in Valencia, we drank bitter coffee in smoky bars and sampled every ice-cream on every plastic menu.

Davis has found a way of coping with the problems of diet and fitness on tour. "What I try to do when I'm away," he says, "is do what I do at home. I set myself a programme. I have two alcohol-free days a week; during tournaments I might have a glass of wine during dinner. It lets your system catch up."

It is a strange, artificial, nomadic existence. For the top players, who are forced to travel in and out of season between four continents, it can be physically and mentally exhausting. "Travelling all the time is a pain," says Ian Woosnam, winner of the 1990 European Volvo Order of Merit, with earnings in excess of £270,000. "You get home on Sunday night and you think: 'God, I've got to go away again on Tues-



Ballesteros: uses a private plane

day." It's alright for the first two or three months, then it becomes a drag. And then you've got to go to Australia and Japan. It's hard work, you know."

Seve Ballesteros has found that the only way to retain even a partial grip on sanity is to use a private plane. Even so, the pressure of commitments on four continents, of competing, and of the incessant demands of press, public and sponsors, can become unbearable.

Lesser players face different pressures.

They have to worry about making the cut, keeping their playing card (they have to finish in the top 120 of the Order of Merit to do so), paying the mortgage and supporting a family while competing in a game as unpredictable and insecure as pro golf.

"The game takes a terrible toll on your relationship with a woman or your marriage," says Ian James, David Jones, veteran of 23 years on the tour, "because it demands so much. It demands that you go and spend 45 weeks of the year playing and practising for up to six hours a day. Every season you invest anything up to \$40,000 of your own money or somebody else's pursuing your career. If it does not provide some financial success, it is very easy to get an unbalanced attitude about what you've got out of it."

Every week without fail the players and the tour hangers-on arrive at an airport to find themselves delayed or some pretext or another: storms, gales, floods, air traffic control strikes. "I'm never going to get that again," said Canadian Jim Rutledge very early one morning when we reached Heathrow after a marathon journey from Spain. He was striding briskly across the airport concourse en route to the baggage hall and home.

"Until what?" demanded a disbelieving colleague.

"Until next Sunday."

Racing/Michael Thompson-Noel

Jockey Club: another fine mess

HE MAY BE rich beyond dreams and addicted to the frivolity known as horse racing. But the Aga Khan is a serious man. Serious about his money. Serious about his religion. Serious about his immensely valuable racehorses and breeding stock. And serious about his integrity.

It was concern about the value of his good name that lay behind the Aga's decision this week to sever all connections with British racing because of his dispute with the Jockey Club, the governing body of British racing, over standards of equine drug-testing and the disqualification of Alyssa, his 1988 Epsom Oaks heroine.

Ninety of the Aga's racehorses are being switched from the Michael Stoute and Luca Cumani training stables in Newmarket to other Aga trainers in France, Ireland and perhaps the US. Nor, says the Aga, will any of his horses race in Britain until effective steps have been taken to "correct the flawed equine drug-testing procedures and the administration of the rules sanctioning the use of prohibited substances in racing in Britain."

The Aga's walk-out is a grave setback for the Jockey Club and a further blow to British racing, already reeling from recession and from laughably low levels of prizemoney. It is easy to lampoon the Jockey Club as an amateurs'

élite: a group of pompous, privileged and wealthy souls who run British racing in a snobbish and off-hand way that pays scant regard to the sport's status as a leisure industry.

That would be unfair. The Jockey Club has made at least some efforts to modernise itself and improve its contacts with the outside world. But it can still be stuffy and aloof. And in the specific area of drug-testing it appears to have much to answer for — unless the Aga and his scientific advisers are

hopelessly wrong.

That seems unlikely. The Aga knows racing intimately. In the past decade he has won three English, three Irish and four French Derbies, as well as the Prix de l'Arc de Triomphe. His most famous champion was Shergar, winner of the 1981 English Derby and subsequently stolen by the IRA.

His solicitors said: "The Aga Khan breeds horses to run and runs horses he has bred. As a consequence, he has generally been acknowledged as one of

the world's leading proponents for severe drug testing criteria internationally, and has always issued written instructions to his trainers that no horse in training shall be medicated and every horse requiring medication shall be retired from training until cured."

Those are damning words for the Jockey Club. So was the package of testimony from the Aga's advisers circulated by his solicitors to substantiate his view that he "could no longer permit his name and repu-

tation to be held hostage to scientific methods which twice in less than eight years had been shown to be flawed, and (to) a quasi-judicial system wholly irresponsible to the advances in human as well as equine drug-testing."

The first case concerned the Aga's Vayrann, winner of the Champion Stakes at Newmarket in 1981, which the Jockey Club's Horseracing Forensic Laboratory (HFL) alleged had tested positive for anabolic steroids. Eventually, the case

against Vayrann crumbled. But the Jockey Club, says the Aga, never issued a promised statement.

Second, Alyssa, winner of the 1989 Oaks but finally disqualified 2½ weeks ago (a disgracefully long wait) by the Jockey Club following identification in the filly's urine sample of 3-hydroxycamphor, one of the many metabolites of camphor, a prohibited substance under the rules of racing.

We need not stress ourselves with the scientific arguments that have raged around Alyssa's head; they tend to be tedious. This week the HFL was sticking to its guns. The Jockey Club issued an ungracious statement and said it had ordered an internal examina-

tion of the case. But something is badly wrong.

The Aga's trainers supported him. Michael Stoute, Alyssa's trainer, said: "Because of his knowledge and understanding, he would be irreplaceable. I am fully supportive of the decision he has taken."

Did the Jockey Club drive the Aga Khan out of British racing? Perhaps you think the question too simplistic. If you do, here is an easier one: what is it doing to woo him back? If it is doing nothing, it ought to be scrapped. If it is doing something to win back one of the world's most respected owners, perhaps some good will come of this foolish episode. Either way, I doubt it will condescend to tell us.

JP 11/10/90